

Birmingham City Council

Resources Overview and Scrutiny Committee

Date 9 February 2023



Subject: Draft Financial Plan
Report of: Rebecca Hellard, Director of Council Management
Report author: Richard Lloyd-Bithell, Assistant Director, Financial Strategy

1 Purpose

- 1.1 The Committee is invited to make recommendations to inform and support the process for making Cabinet proposals to Council regarding the adoption of the budget. The Financial Plan covers the 10 year period from 2023/24 to 2032/33 and provides the actions that have been taken to deliver a balanced budget for 2023/24 and over the 4 year medium term financial plan.
- 1.2 The draft proposals for the budget follow a review of base budget requirement and the identification of savings to enable a funded budget to be proposed for 2023/24.
- 1.3 The key features of the Financial Plan include:
 - 1.3.1 A net revenue base budget of £925.0m for 2023/24, and a capital budget of £1.6bn
 - 1.3.2 The revenue budget proposals include further savings (cost reductions and additional income generation) of £48.5.4m in 2023/24, as laid out in Appendix F of the Financial Plan. New savings proposals total £36.3m across the medium term. All other savings are stepped changes to existing savings programmes that were approved by Full Council in February 2022.
 - 1.3.3 New funding of pressures and additional investment in services of £165.8m in 2023/24.
 - 1.3.4 The budget proposes increasing council tax by 4.99% inclusive of a 2% adult social care precept. The 2% adult social care precept will generate additional income of approximately £8.1m, this income is ring-fenced to adults' social care and has been invested in the service

2 Recommendations

- 2.1 The Committee reviews the budget proposals and determine any recommendation it wishes to make to Cabinet in relation to the 2023/24 budget proposals specifically and the Council's medium term financial plans

3 Any Finance Implications

- 3.1 The draft Financial Plan itself sets out the financial implications for the City Council. It also includes identification of risks and reserves that can be used as a contingency if required.

4 Any Legal Implications

- 4.1 A Council Plan and Budget is an important element in our Policy Framework, as set out in the Local Government Act 2000.
- 4.2 The Council must set a balanced revenue budget and Council Tax in accordance with the requirements of the Local Government Finance Act 1992, as amended by the Localism Act 2011. These, together with the Capital Programme and Treasury Management Strategy and Policy, are key components of the Policy Framework which must be approved by the Council. These then set the resource framework and limits within which services must be delivered.

5 Any Equalities Implications

- 5.1 The draft Financial Plan sets out individual resource allocations. Initial equality assessments have been undertaken on all budget proposals. Equality issues will be given full consideration as budget proposals are developed and put in place.

6 Appendices

- 6.1 Draft Cabinet Report: Financial Plan, 9 February 2022
- 6.2 Draft Financial Plan