

Addendum: Agenda Item 7: Section 151 Officer Update for September 2024, Including Quarter 1 2024/25 Monitoring: Cabinet 10 September 2024

Note to Cabinet from the Corporate & Finance O&S Committee

At its meeting on 6 September, the Corporate and Finance O&S Committee considered the S151 Officer report Update for September 2024, including Quarter 1 2024/25 Monitoring. The Cabinet Member for Finance & Resources was in attendance. We would wish to advise Cabinet Members, ahead of the Cabinet Meeting on 10 September 2024, of a number of points made during the meeting and recommend that these are included in Cabinet's consideration of the report:

1. The Medium-Term Financial Strategy Principles agreed by Cabinet on 23 July 2024 are a sensible guide to setting realistic budgets for 2025/26 to 2028/29 but Corporate & Finance O&S Committee would wish to be engaged in different aspects of the strategy in a timely way.
2. Concerns were expressed that some of the savings identified for 2024/25 were unlikely to be delivered in the timeframe set out in the report, inline with Commissioner Directions, due to demand-led pressures and some do not have mitigations in place.
3. There were concerns that assurances could not be given by the Section 151 Officer on the complete reliability of the data underpinning the report due to continued issues with Oracle, as the data cleanse was ongoing.
4. Concerns were expressed about the failure in some services to adhere to financial procedures in authorising spend contrary to S151 requirements.
5. Support was expressed for, with other LAs, efforts to lobby Government to address financial issues that are common to LAs, specifically around Children's Services, Adult Social Care and Housing / Temporary Accommodation.
6. The Corporate & Finance O&S Committee has already scheduled Scrutiny Budget T&F meetings for mid-September with the S151 Officer to consider the budget pressures arising in 2024/25 and those currently built into the MTFP.
7. The Corporate Finance O&S Committee will look to schedule further Task and Finish Group meetings with the S151 Officer, probably in October 2024, to review the savings/mitigations identified for 2024/25 and to look at the savings/mitigations identified to address the requirement for a two-year balanced MTFP, once these have been considered by CLT in September 2024. The immense scale of the task to balance the budget within two years was noted by the Committee and the risk of reaching 'saturation point' where increased activity to deliver savings does not yield additional savings was acknowledged.
8. The Corporate & Finance O&S Committee will initiate discussions, with the involvement of other O&S Committees, on the transformation programmes necessary/planned/being introduced as the committee is of the view that a two-year balanced MTFP cannot be achieved solely through budget savings within the current directorate structures and delivery arrangements. These discussions will include the Cabinet Member for Transformation, Governance and Human Resources