

Strategy & Resources Finance report - month 10

Strategy & Resources Committee – 25 March 2021

Report of: Anna D'Alessandro – Chief Finance Officer (Section 151)

Purpose: To note the Committee and Council's forecast revenue budget positions for the year

Publication status: Unrestricted

Wards affected: All

Executive summary:

This report accompanies the presentation that outlines the Strategy and Resources **2020/21 budget position at the end of January 2021 (P10)**.

Also Included is a summary of each Committee's key highlights grouped together to provide a Council-wide perspective, along with details of any overspends referred to it by other Policy Committee

This report supports the Council's priority of:

Effective budget monitoring giving a clear and precise overview of the Strategy and Resources committee's financial position.

Contact officer Martin Field – Finance Business Partner

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Recommendation to Committee:

To note the Committee and the Councils forecast revenue and capital budgets position for the year.

Reason for recommendation:

Please see slide presentation

Introduction and background

- 1 This report shows the financial position of the Strategy and Resources committee and a full council position as at period 10 (January).

Key implications

Comments of the Chief Finance Officer

- 2 The Council has a duty to ensure its expenditure does not exceed resources available. The short and medium-term financial outlook remain uncertain. The pandemic has resulted in increased costs and income loss which are not fully funded in the current year.
- 3 The Council's finances have turned around quite considerably over the last half of this financial year which places it in a much more sustainable and resilient position for 2020/21. We have undertaken this substantially by ensuring a tight grip on costs particularly salaries budgets, we do however have the last quarter of the year remaining and need to ensure we continue this grip and control to ameliorate the financial position even further. In previous months we indicated the potential issuance of a s114 notice, however this is now no longer the position within which we find ourselves. This will be kept under constant review.
- 4 Much work on the budget setting process for next year and into the medium-term indicates that the Council's finances will continue to be constrained, as they have been for the majority of the past decade. This subsequently places an onus on the Council to continue to consider issues of financial sustainability as a matter of urgency in order to ensure stable provision of services in the future. Within this context the Council will continue to develop and implement plans to ensure that the delivery of services are contained within resources and we work towards closing the medium-term gap.
- 5 The Section 151 Officer confirms the financial information presented in this report has been based on reasonable working assumptions, taking into account all material, financial and business issues and risks.

Comments of the Head of Legal Services

- 6 The Council is under a duty to set a balanced and sustainable budget. The Local Government Finance Act requires the Council to take steps to ensure that the Council's expenditure (that is expenditure incurred already in year and anticipated to be incurred) does not exceed the resources available whilst continuing to meet its statutory duties.
- 7 The Committee should be aware that if the Section 151 Officer, at any time, is not satisfied that appropriate strategies and controls are in place to manage expenditure within the in-year budget they must formally draw this to the attention of the Committee and Council and they must take immediate steps to ensure a balanced in-year budget, whilst complying with its statutory and common law duties.

Equality

- 8 This report does not disadvantage or discriminate against any different groups with protected characteristics in the community.

Climate change

- 9 There are no significant environmental / sustainability implications associated with this report.

Appendices

Appendix 'A' – Council's Period 10 (January) Financial Report

Background papers

None

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