

<b>Report To:</b>	<b>EXECUTIVE CABINET</b>
<b>Date:</b>	29 March 2023
<b>Executive Member / Reporting Officer:</b>	Cllr Jacqueline North –First Deputy (Finance, Resources & Transformation) Stuart Fair – Director of Finance
<b>Subject:</b>	<b>PERIOD 10 2022/23 REVENUE MONITORING STATEMENT AT 31 JANUARY 2023</b>
<b>Report Summary:</b>	<p>As highlighted in previous reports this year, the Council is facing significant inflationary and demand pressures across a number of areas.</p> <p>As we enter the last few months of the financial year, the financial position at the end of Month 10 shows overall further signs of improvement, although within this improvement, there are some significant over and underspends.</p> <p>Whilst still reporting an overspend, the scale of the overspend has reduced at month 10 to <b>£1,634k</b>, an improvement of (£857k) since month 9.</p> <p>This movement is driven by an increase in Adults, Governance and Finance &amp; IT forecasts which have been offset by reductions in forecasts for Place, Children’s and Corporate.</p> <p>Ongoing demand and cost pressures on Council budgets will have implications for the 2023/24 budget. Mitigations are in place for 2022/23, and 2023/24, although further work is still needed.</p>
<b>Recommendations:</b>	<p>Members are recommended to:</p> <ol style="list-style-type: none"> <li>1) Note the forecast outturn position and associated risks for 2022/23 as set out in <b>Appendix 1</b> and <b>Appendix 2</b>;</li> <li>2) <b>Note</b> the forecast position on the Collection Fund as set out in <b>Appendix 3</b>.</li> <li>3) <b>Note</b> the current position in respect of the Dedicated Schools Grant deficit as set out in <b>Appendix 4</b>.</li> <li>4) <b>Approve</b> the write off of uncollectable debts as set out in <b>Appendix 5</b>.</li> <li>5) <b>Approve</b> the reserve transfers set out in <b>Appendix 6</b>.</li> <li>6) <b>Note</b> the transfer of unspent grant to the Household Support Fund in section 4.</li> </ol>
<b>Policy Implications:</b>	Budget is allocated in accordance with Council/CCG Policy
<b>Financial Implications:</b>	As contained within the report.
<b>(Authorised by the Section 151 Officer &amp; Chief Finance Officer)</b>	
<b>Legal Implications:</b>	The Local Government Act 1972 (Sec 151) states that “every local authority shall make arrangements for the proper administration of their financial affairs...”
<b>(Authorised by the Borough Solicitor)</b>	

Revenue monitoring is an essential part of these arrangements to provide Members with the opportunity to understand and probe the Council's financial position.

Members will note that the current outturn position is currently predicting a forecast net deficit of £8.198m on Council budgets. As the council has a legal duty to deliver a balanced budget by the end of the financial year Members need to be content that there is a robust plan in place to ensure that the council's final budget position will be balanced. Ultimately, failure to deliver a balanced budget can result in intervention by the Secretary of State.

The council has a statutory responsibility to ensure that it operates with sufficient reserves in place. The legislation does not stipulate what that level should be, rather that it is the responsibility of the council's 151 officer to review the level of reserves and confirm that the level is sufficient. Reserves by its very nature is finite and so should only be drawn down after very careful consideration as the reserves are unlikely to be increased in the short to medium term.

**Risk Management:**

Associated details are specified within the presentation.

Failure to properly manage and monitor the Council's budgets will lead to service failure and a loss of public confidence. Expenditure in excess of budgeted resources is likely to result in a call on Council reserves, which will reduce the resources available for future investment. The use and reliance on one off measures to balance the budget is not sustainable and makes it more difficult in future years to recover the budget position.

**Background Papers:**

Background papers relating to this report can be inspected by contacting : Caroline Barlow, Assistant Director of Finance, Tameside Metropolitan Borough Council



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## **1. FINANCIAL SUMMARY (REVENUE BUDGETS)**

- 1.1 As highlighted in previous reports this year, the Council is facing significant and growing inflationary pressures across a number of areas, combined with demand pressures in Adults and Children's services, resulting in a significant forecast overspend by 31 March 2023 of £1,634k. This represents a (£857k) improvement since M9. This movement is driven by an increase in Adults, Governance and Finance & IT forecasts which have been offset by reductions in forecasts for Place, Children's and Corporate.
- 1.2 Ongoing demand and cost pressures on Council budgets will have implications for the 2023/24 budget. Mitigations are in place for 2022/23, and 2023/24, although further work is still needed.
- 1.3 Further detail on the financial position can be found in **Appendix 1** with further detail by Directorate set out in **Appendix 2**.

## **2. COLLECTION FUND**

- 2.1 The latest forecast for the Collection Fund in 2022/23, together with collection performance, is summarised in **Appendix 3**.

## **3. DEDICATED SCHOOLS GRANT**

- 3.1 The latest position and forecast for the Dedicated Schools Grant funding and deficit position is summarised in **Appendix 4**. If the 2022/23 forecasts materialise the deficit will further increase to £4.956k. A deficit recovery plan has been developed and submitted to the DfE. Discussions are continuing with the DfE and are ongoing. The position will continue to be closely monitored and updates reported to Schools' Forum and Members.

## **4. WRITE OFFS FOR THE PERIOD OCTOBER TO DECEMBER 2022**

- 4.1 **Appendix 5** lists those debts scheduled for write off as uncollectible in the period 1 October to 31 December 2022.

## **5. HOUSEHOLD SUPPORT FUND**

- 5.1 The Director of Finance has approved the re-purposing of £245k unspent Clinically Extremely Vulnerable (CEV) grant to the Household Support Fund (HSF) grant. HSF applications are forecast to exceed the funding available for 2022/23. This transfer will ensure we can continue to support the most vulnerable and those in need of support for essential living costs via the HSF until the end of March. Further HSF grant funding has been allocated from April 2023.

## **6. RECOMMENDATIONS**

- 6.1 As stated on the front cover of the report.