

CABINET - 3 November 2022

MINUTES

Present: Councillors: I Courts, K Grinsell, T Diccico, K Hawkins, D Howell, A Mackiewicz, R Sleigh OBE and M McLoughlin

Officers: Nick Page, Paul Johnson, Andrew Kinsey, Julie Cooper, Alison McGrory, Martin Clayton and Jane Game

1. APOLOGIES

Cllrs Gough and L McCarthy were not in physical attendance, but with the Leaders permission, joined the meeting virtually.

2. DECLARATION OF INTEREST

None received.

3. QUESTIONS AND DEPUTATIONS

None received.

4. MINUTES

The minutes of the meeting held on 6 October were presented for information.

RESOLVED:

That the minutes of the meeting held on 6 October be received for information.

5. MEDIUM TERM FINANCIAL STRATEGY PERIOD 6 UPDATE REPORT (TO 30 SEPTEMBER 2022)

The Cabinet received a report which:

- updated Full Cabinet on how the Council was performing against the approved 2022/23 – 2024/25 Medium Term Financial Strategy (MTFS) in the current financial year alongside setting out any new challenges that were emerging for the revised MTFS for 2023/24 – 2025/26;
- outlined the Medium-Term Financial Strategy (MTFS) latest financial position as at 30 September 2022 (Period 6). This was the same position being reported to individual Cabinet portfolio holders during November;
- reported on the latest Red, Amber and Green (RAG) ratings for the delivery of the (MTFS) savings 2022/23 to 2024/25, as detailed in Appendix A; and

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- provided details of the budget movements which had taken place up to Period 6 of this financial year, as required by Financial Regulations, and the revised budget following those movements, as detailed in Appendix B, which Members were asked to approve.

Members were reminded that as reported in June 2022 the overall position at the end of 2021/22 was that, except for Children's services, all portfolios were in an equivalent or better financial position as at 31 March 2022, than that assumed in the budget approved by Full Council in February 2022. In that same report, approval was sought to provide a further £1 million top up to reserves to support delivery of the Children's Improvement Plan for 2022/23. The outlook for local government finance continued to worsen with a combination of existing and new, emerging service challenges and national pressures including:

- The lasting effects of Covid-19, including the gradual recovery to pre-pandemic activity levels for some services and the transition to a "new normal", with potentially permanent changes to activity levels, for others;
- The ongoing delay to local government finance reform and associated uncertainty over future funding;
- Significant cost of living impacts on pay, energy and contractual costs;
- Children's services – further pressures forecast in the current year and beyond; and
- The reform of Adult Social Care including the outcome of the fair cost of care exercise.

The budget process for 2023/24 and beyond would be very challenging as the impact of inflationary pressures and demand for adults and children's social care feed through into the budget process.

In year financial monitoring was detailed in Appendix A of the report. An adverse variance was forecast on the Core Council of £4.512 million in relation to the Children and Education portfolio and a forecast in-year adverse variance of £3.585 million for the Dedicated Schools Grant (DSG) totalling £8.097 million. The overall financial position was further detailed by Cabinet Portfolio in Appendix A (Table 2) which highlighted the key variances and a separate report on each portfolio position would be presented to individual Cabinet Decision Sessions during November.

The report went on to detail the Capital Forecast Outturn 2022/23, the Medium-Term Financial Strategy -RAG Status of Savings/Mitigations, Reserves, a Corporate Approach to Delivering an Asset Masterplan and Housing Revenue Account (HRA)-proposals to use reserves to support the Money Advice team.

On receiving the report Members asked a number of questions, which Officers responded to. Officers advised that the £500m set aside nationally for the Reform of Adult Social Care it was assumed this would no longer be allocated. Discussions had been taken place with ICB to secure potential monies for the Council and Birmingham City Council to support winter pressures. No final decision on this support would be made until after the autumn statement. With regard to the DSG, following discussions with DfE officials it was hoped a further 12 months of elevation would continue.

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Officers clarified the use of reserves and confirmed that the Budget Strategy Group would need to take a view on how specific reserves were being used and recommend a reasonable level of reserve to cover a range of risks.

With regard to budget assumption risks Officers advised that due to the wide range of forecasts in relation to inflation and pay awards for example, it was a challenge to know where to pitch Council estimates, too high could impact services. A recommendation in the range of mid to low was likely, whilst ensuring there was protection in the budget strategy reserve.

Reference was made to the important role the Money Advice Team had in supporting people and the use of community resources to help people. The Resources and Delivering Scrutiny Board would be considering a report, at their next meeting which looked at all the actions the Council was taking to support people.

RESOLVED:

- (i) That the current financial position be noted along with the actions being taken to address budget variances;
- (ii) That the latest Red, Amber and Green (RAG) ratings for the delivery of the (MTFS) savings 2022/23 to 2024/25, as detailed in Appendix A be noted;
- (iii) That the budget adjustments up to Period 6 of 2022/23 as summarised in Appendix B be approved;
- (iv) That the removal of the approved contribution to the Public Health reserves and a drawdown of that reserve detailed in paragraph 3.17 be approved;
- (v) That the transfer of the £2.241 million Substance Misuse grant to Communities and Leisure from Adult Social Care and Health detailed in paragraph 3.18 be approved;
- (vi) That the reclassification of the £207,000 corporate “contingency” reserve to Public Health reserves detailed in paragraph 3.19 be approved;
- (vii) That the principle established as part of the Corporate Approach to delivering an Asset Masterplan for budget transfers of asset related budgets from the respective individual portfolio budgets to the Corporate Landlord function within the Resources portfolio as detailed in paragraph 3.41 – 3.42 be approved; and
- (viii) That the use of £153,000 of the Welfare Reform Reserve within the Housing Revenue Account in order to support additional staffing within the Solihull Community Housing (SCH) Money Advice Team for a further 2 years – as detailed in paragraph 3.43 – 3.47 be approved.

6. EXCLUSION OF THE PUBLIC AND PRESS

RESOLVED:

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That, pursuant to Section 100A (4) of the Local Government Act 1972, the press and public be now excluded from the meeting for the remainder of the business to be transacted, on the grounds that there would be disclosure to them of exempt information in terms of paragraph 3 of Part 1 of Schedule 12A to the said Act.

7. PRIVATE MINUTES

8. MELL SQUARE LIMITED GOVERNANCE ARRANGEMENTS

6.45 pm