

Meeting date: 15th February 2022

Report to: Cabinet Member Climate Change, Planning & Housing

Subject/report title: **REVENUE AND CAPITAL MONITORING 2021/22 AS AT 31st December 2021**

Report from: Director of Economy and Infrastructure and Director of Resources and Deputy Chief Executive

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Wards affected:

- All Wards | Bickenhill | Blythe | Castle Bromwich | Chelmsley Wood |
 Dorridge/Hockley Heath | Elmdon | Kingshurst/Fordbridge | Knowle |
 Lyndon | Meriden | Olton | Shirley East | Shirley South |
 Shirley West | Silhill | Smith's Wood | St Alphege

Public/private report: Public

Exempt by virtue of paragraph: N/A

1. Purpose of Report

- 1.1 To inform the Cabinet Member of the Portfolio's latest forecast financial position as at the 31st December 2021 against Revenue and Capital budgets as summarised below and detailed in the attached Appendix A.
- 1.2 To inform the Cabinet Member of the Portfolio's progress against the latest 3 year savings targets in the Medium Term Financial Strategy (MTFS) summarised below and detailed in Appendix A.

2. Decision(s) recommended

The cabinet member is asked to:

- 2.1 Consider and endorse the 2021/22 revenue and capital financial monitoring forecast as at 31st December 2021.
- 2.2 Consider the Portfolio's progress against the latest 3 year savings targets in the Medium Term Financial Strategy (MTFS) as at 31st December 2021.

3. Matters for Consideration

- 3.1 Throughout the financial year, information will be provided on a quarterly basis to the Cabinet Portfolio Holder and Full Cabinet.
- 3.2 The cash limited discipline at Solihull means that Directorates need to balance their budget forecast position first and the Portfolio's position flows from that. As a result, this cabinet portfolio is specifically taken into account across the Economy and Infrastructure Directorate.
- 3.3 The revenue and capital financial position and the savings position for 2021/22 to 2023/24 are outlined in Appendix A.
- 3.4 The overall Council position is reported to Full Cabinet together with any planned actions; any variances are then considered in line with Council priorities and Financial Regulations.

Revenue Budget 2021/22

- 3.5 The latest approved revenue budget for the portfolio is £1.264million. The forecast outturn expenditure for this year is giving an overall adverse variance of £287,000 which includes an adverse variance in respect of Covid-19 of £80,000. The position, excluding the Covid-19 impact, is therefore a £207,000 adverse variance. Explanations can be found in Appendix A.
- 3.6 Full Cabinet received the MTFs update report for December (Period 9) at their meeting on the 10th February. This report, in line with the individual portfolio reports presented the financial position including any specific Covid-19 impact and included an update to Full Cabinet on the latest projection for the use of the uncommitted Covid-19 emergency funding grant and summarised all Covid-19 funding allocations for the year. At this stage in the financial year all Covid pressures across all portfolios for the current MTFs period and the current financial year to date can be met from the uncommitted Covid-19 emergency funding grant. However, this position will need to be monitored closely throughout this year and in the event that this changes will then need to be the subject of the future quarterly monitoring reports.
- 3.7 The forecast variance arising from Covid-19 for this portfolio should be considered in the context of the position for the Economy and Infrastructure Directorate relating to Covid-19. The Directorate is forecasting an adverse variance of £2.406million relating to Covid-19. This includes the estimated impact of the Government's income recovery scheme which ended on 30th June 2021, where local authorities could reclaim 75% of lost income attributable to Covid-19 (where this was in excess of 5% of total planned income for the year). It is anticipated that the remaining variance can be covered by the corporately held Covid-19 Emergency grant giving a balanced position by the end of the financial year.
- 3.8 Excluding the impact of Covid-19 the directorate is currently forecasting a balanced position. This includes the use of various ear marked reserves for their specified purpose and the release £250,000 from a previously ear-marked reserve as approved by Cabinet in November 2021 as part of the Medium Term Financial Strategy update at period 6.

3.9 Through the budget process approval will be sought to create a general Economy and Infrastructure reserve to manage the risks and pressures which can arise due to factors outside the Council's control. This would be used to manage any in-year adverse variances where specific reserves are not held, with any in-year surplus contributed to the reserve at the end of the year. The current forecast would allow a £495,000 contribution to this reserve in 2021/22.

Capital Budget 2021/22

3.10 The latest approved capital programme for this portfolio is £91,000. The forecast outturn expenditure for the year is nil variance.

Budget Strategy Savings 2021/22 to 2023/24

3.11 For 2021/22 there are no savings within this portfolio.

3.12 For 2022/23 the total savings target is £18,000 which is all rated red.

3.13 For 2023/24 there are no savings within this portfolio.

4. What options have been considered and what is the evidence telling us about them?

4.1 N/A

5. Reasons for recommending preferred option

5.1 N/A

6. Implications and Considerations

6.1 State how the proposals in this report contribute to the priorities in the [Council Plan](#):

| Priority: | Contribution: |
|---|--|
| <p>Economy:</p> <ol style="list-style-type: none"> 1. Revitalising our towns and local centres. 2. Deliver UK Central (UKC) and maximise the opportunities of HS2. 3. Increase the supply, quality and energy efficiency of housing, especially affordable and social housing. | <p>The economy is a key area of consideration for the services within this portfolio with increasing the supply of housing especially affordable and social housing being one of the key objectives. There are no new implications from this report.</p> |
| <p>Environment:</p> <ol style="list-style-type: none"> 4. Enhance Solihull's natural and physical environment. 5. Improve Solihull's air quality. 6. Reduce Solihull's net carbon emissions. | <p>The environment is a key area of consideration for the services within this portfolio with enhancing the natural environment, improving air quality and reducing carbon emissions all being key objectives. There are no new implications from this report.</p> |

| Priority: | Contribution: |
|---|--|
| People and Communities: 7. Take action to improve life chances and health outcomes in our most disadvantaged communities. 8. Enable communities to thrive. 9. Sustainable, quality care and support for adults & children with complex needs. | People and communities are an important area of consideration for the services within this portfolio, with all possible efforts being made to ensure that services are delivered and policies are determined in a manner that is equitable to all, allowing communities to thrive and enhancing the life chances of disadvantaged communities. There are no new implications from this report. |
| 10. Promote employee wellbeing | No new contribution to this priority. |

6.2 Consultation and Scrutiny:

None

6.3 Financial implications:

Financial monitoring is undertaken throughout the year by individual budget managers. Key income and expenditure risk areas are also monitored monthly by the Finance Team. Any significant risks identified are reported to both DLT (Directorate Leadership Team) and CLT (Corporate Leadership Team) to ensure that net expenditure is managed within approved budgets. ARTOP (Aligning Resources To Our Priorities Board) meet monthly to oversee the financial impact from Covid-19.

6.4 Legal implications:

None

6.5 Risk implications:

The budget monitoring report takes account of forecast variances. In addition there may be pressures which are currently being monitored and managed by budget managers which could affect the final outturn position for 2021/22

6.6 Equality implications:

None

6.7 Linkages to our work with the West Midlands Combined Authority (WMCA), the Local Enterprise Partnership or the Birmingham & Solihull Integrated Care System (ICS):

None

7. List of appendices referred to

Appendix A – Q3 21-22 Rev & Cap Monitoring Report

8. Background papers used to compile this report

8.1 N/A

9. List of other relevant documents

9.1 N/A