

<b>DECISION-MAKER:</b>	OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE			
<b>SUBJECT:</b>	SCRUTINY OF THE COUNCIL'S FINANCIAL POSITION			
<b>DATE OF DECISION:</b>	15 DECEMBER 2022			
<b>REPORT OF:</b>	COUNCILLOR FULLER – CHAIR OF THE OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE			
<b><u>CONTACT DETAILS</u></b>				
<b>Author:</b>	<b>Title</b>	<b>Scrutiny Manager</b>		
	<b>Name:</b>	<b>Mark Pirnie</b>	<b>T</b>	<b>023 8083 3886</b>
	<b>E-mail:</b>	<b>Mark.pirnie@southampton.gov.uk</b>		
<b>STATEMENT OF CONFIDENTIALITY</b>				
None				
<b>BRIEF SUMMARY</b>				
Given the challenging financial position facing the Council, the Chair has requested that the Committee discuss with the Cabinet Member for Finance and Change the current budgetary position for 2022/23 and the work being undertaken by the Executive to achieve a balanced budget for 2023/24 and beyond.				
<b>RECOMMENDATIONS:</b>				
	(i)	That the Committee review the appended financial reports to Cabinet and utilise the information to discuss with the Cabinet Member for Finance and Change the options available, and the current proposals, to meet the forecast budget shortfalls.		
<b>REASONS FOR REPORT RECOMMENDATIONS</b>				
1.	To enable the Committee to scrutinise the Council's financial position.			
<b>ALTERNATIVE OPTIONS CONSIDERED AND REJECTED</b>				
2.	None.			
<b>DETAIL (Including consultation carried out)</b>				
3.	The forecast outturn position of the General Revenue Fund for the year, as outlined in the Financial Monitoring report to Cabinet on 15 November for the period to the end of September 2022, is a £9.59M deficit.			
4.	The revised budget shortfall in 2023/24, noted in the Budget Update report to Cabinet on 8 November 2022, is £28.90M. The updated forecast budget shortfall up to 2026/27 is provided in the table below.			
		<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>
		<b>£M</b>	<b>£M</b>	<b>£M</b>
	<b>Forecast Budget Shortfall February 2022 (after agreed savings)</b>	<b>23.43</b>	<b>21.46</b>	<b>21.95</b>
	Funding Changes	(6.82)	(6.82)	(6.82)
	Use of Reserves	(1.00)		
	Budget and Inflationary Pressures	30.34	27.80	29.78
	Draft Savings Proposals	(17.05)	(16.21)	(18.82)
	<b>Updated Forecast Budget Shortfall November 2022</b>	<b>28.90</b>	<b>26.23</b>	<b>26.10</b>
				<b>31.57</b>

5.	Attached as appendices are the aforementioned financial reports that were presented to Cabinet on 8 <sup>th</sup> and 15 <sup>th</sup> November respectively. The report considered on 8 <sup>th</sup> November contains a number of proposals for the 2023/24 budget and medium-term financial strategy, which have been published for consultation.
6.	The Committee are requested to use the attached information to discuss the financial position of the Council with the Cabinet Member for Finance and Change.
<b>RESOURCE IMPLICATIONS</b>	
<b><u>Capital/Revenue</u></b>	
7.	The details are set out in the attached Cabinet reports. There are no additional financial implications arising from the approval of the recommendations.
<b><u>Property/Other</u></b>	
8.	The details are set out in the attached Cabinet reports. There are no additional property implications arising from the approval of the recommendations.
<b>LEGAL IMPLICATIONS</b>	
<b><u>Statutory power to undertake proposals in the report:</u></b>	
9.	The duty to undertake overview and scrutiny is set out in Part 1A Section 9 of the Local Government Act 2000.
<b><u>Other Legal Implications:</u></b>	
10.	The details are set out in the attached Cabinet reports.
<b>RISK MANAGEMENT IMPLICATIONS</b>	
11.	The details are set out in the attached Cabinet reports. Effective overview and scrutiny is a key ingredient of risk management.
<b>POLICY FRAMEWORK IMPLICATIONS</b>	
12.	The details are set out in the attached Cabinet reports.
<b>KEY DECISION</b>	No
<b>WARDS/COMMUNITIES AFFECTED:</b>	None directly as a result of this report
<b><u>SUPPORTING DOCUMENTATION</u></b>	
<b>Appendices</b>	
1.	15 <sup>th</sup> November Cabinet Report and appendices - Financial Monitoring for the period to the end of September 2022
2.	8 <sup>th</sup> November Cabinet Report and appendices - Update on Budget Forecast for 2023/24 Onwards and Savings Plans
<b>Documents In Members' Rooms</b>	
1.	None
<b>Equality Impact Assessment</b>	
Do the implications/subject of the report require an Equality and Safety Impact Assessments (ESIA) to be carried out?	Identified in appended Cabinet Reports

<b>Data Protection Impact Assessment</b>	
Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out?	Identified in appended Cabinet Reports
<b>Other Background Documents</b>	
<b>Equality Impact Assessment and Other Background documents available for inspection at:</b>	
Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
1.	<a href="#">Agenda item - Financial Monitoring for the period to the end of September 2022   Southampton City Council</a>
2.	<a href="#">Agenda for Cabinet on Tuesday, 8th November, 2022, 4.30 pm   Southampton City Council</a> – Item 4