

SHEFFIELD CITY COUNCIL

FINANCE SUB-COMMITTEE DECISION RECORD

The following decisions were taken on Tuesday 7 June 2022 by the Finance Sub-Committee.

Item No

6. BUDGET MONITORING, FINANCIAL POSITION AND BUDGET TIMETABLE, MONTH 1, 2022/23

6.1 This report brings the Committee up to date with the Council's financial position as at Month 1 2022/23. The report also reports the proposed budget timetable for the development of the 2023/24 budget

6.2 **RESOLVED UNANIMOUSLY:** That the Finance Sub-Committee:-

(i) notes the Council's challenging financial position and the Month 1 position;

(ii) notes that each Policy Committee will receive detailed budget monitoring for their areas of responsibility at their meetings in June 2022 and will also be advised of the budget timetable including the requirement for each Policy Committee to plan to develop budget proposals over the course of the summer;

(iii) notes that the Strategy and Resources Committee agreed at its 31 May 2022 meeting to "require any Policy Committee that is forecasting an overspend on their budget to develop an action plan to address the overspend in-year and ask the Finance Sub-Committee to monitor both the development of any required action plans and delivery against them"; and

(iv) requests that all Policy Committees give fresh consideration to any budget saving proposals that were submitted as part of last year's budget process, but not taken forward.

6.3 Reasons for Decision

6.3.1 Under section 25 of the Local Government Act 2003, the Chief Finance Officer of an authority is required to report on the following matters:

- the robustness of the estimates made for the purposes of determining its budget requirement for the forthcoming year; and
- the adequacy of the proposed financial reserves.

6.3.2 There is also a requirement for the authority to have regard to the report of the Chief Finance Officer when making decisions on its budget requirement and level of financial reserves.

6.3.3 By the law the Council must set and deliver a balanced budget, which is a financial plan based on sound assumptions which shows how income will equal spend over the short- and medium-term. This can take into account deliverable cost savings and/or local income growth strategies as well as useable reserves. However, a budget will not be balanced where it reduces reserves to unacceptably low levels

and regard must be had to any report of the Chief Finance Officer on the required level of reserves under section 25 of the Local Government Act 2003, which sets obligations of adequacy on controlled reserves.

6.4 **Alternatives Considered and Rejected**

6.4.1 The Council is required to both set a balance budget and to ensure that in-year income and expenditure are balanced. No other alternatives were considered.

7. **CAPITAL APPROVALS FOR MONTH 01 2022/23**

7.1 The report provides details of proposed changes to the existing Capital Programme relating to other committees, new additions in relation to Strategy and Resources Committee and one urgent new approval in relation to Education, Children & Families Committee as brought forward in Month 01 2020/21.

7.2 In addition, the report provides details of the changes to the capital programme required as part of the year end close down process requiring formal ratification

7.3 **RESOLVED UNANIMOUSLY:** That the Finance Sub-Committee:-

(i) approves the proposed additions and variations to the Capital Programme listed in Appendix 1;

(ii) approves the budget adjustments required as part of the financial year end close down procedure as detailed in Appendix 2

- Slippage of expenditure of projects in delivery from 21/22 to 22/23 - £29.1m
- Re-profiling of schemes not in delivery from 21/22 to 22/23 – £13.9m
- Accelerated expenditure of projects in delivery from 21/22 to 22/23 of £0.8m
- Overspends – net additions to the programme £3.1m
- Underspends - £6.6m
- Internal Adjustments (including reallocation of underspends) - £2.9m

(iii) approves the council entering into agreements to provide funding to 3rd parties as identified in Appendix 3

7.4 **Reasons for Decision**

7.4.1 The proposed changes to the Capital programme will improve the services to the people of Sheffield.

7.4.2 To formally record changes to the Capital Programme and gain Member approval for changes in line with Financial Regulations and to reset the capital programme in line with latest information.

7.5 **Alternatives Considered and Rejected**

7.5.1 A number of alternative courses of action are considered as part of the process

undertaken by Officers before decisions are recommended to Members. The recommendations made to Members represent what Officers believe to be the best options available to the Council, in line with Council priorities, given the constraints on funding and the use to which funding is put within the Revenue Budget and the Capital Programme.