

## BABERGH DISTRICT COUNCIL

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| <b>COMMITTEE:</b> Cabinet  | <b>REPORT NUMBER:</b> BCa/22/44      |
| <b>FROM:</b> Councillor David Busby,<br>Cabinet Member for Finance | <b>DATE OF MEETING:</b> 6 March 2023 |
| <b>OFFICER:</b> Melissa Evans, Director,<br>Corporate Resources    | <b>KEY DECISION REF NO.</b> CAB381   |

### GENERAL FUND FINANCIAL MONITORING 2022/23 – QUARTER 3

#### 1. PURPOSE OF REPORT

- 1.1 This report considers the revenue and capital financial performance for the period April to December and highlights any significant variances expected for the financial year 2022/23.
- 1.2 As at 31<sup>st</sup> December an overspend of £667k on net expenditure is forecast. The Council set up an Inflationary Pressure Reserve of £500k in 2021/22 to mitigate against the impact of inflation in 2022/23. This would be used to fund part of the forecast overspend and the budgeted contribution of £527k to the Strategic Priorities Reserve would be reduced to £360k, as shown in Appendix A, section 2.

#### 2. OPTIONS CONSIDERED

- 2.1 At this stage in the year, the financial position is for noting only.

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| <b>3. RECOMMENDATIONS</b>  |
| 3.1 That, subject to any further budget variations that arise during the rest of the financial year, the net expenditure overspend position of £667k and forecast reserve movements, referred to in Appendix A, section 2 of the report, be noted; |
| 3.2 The revised 2022/23 Capital Programme referred to in Appendix A, section 5 be noted.   |
| <b>REASON FOR DECISION</b>   |
| <b>To ensure that Members are kept informed of the current budgetary position for both General Fund Revenue and Capital.</b>   |

#### 4. KEY INFORMATION

##### Background

- 4.1 The General Fund Financial Monitoring Report for Quarter 3 2022/23 is attached in Appendix A. This covers full year forecasts and performance against budget for the Councils' revenue, capital programme and reserves.

#### 5. LINKS TO THE CORPORATE PLAN

- 5.1 Ensuring that the Council makes best use of its resources is what underpins the ability to achieve the priorities set out in the Corporate Plan. Specific links are to financially

sustainable Councils, managing our corporate and housing assets effectively, and property investment to generate income.

## 6. FINANCIAL IMPLICATIONS

6.1 These are detailed in the report.

## 7. LEGAL IMPLICATIONS

7.1 There are no specific legal implications.

## 8. RISK MANAGEMENT

8.1 Key risks are set out below:

| Key Risk Description   | Likelihood<br>1-4 | Impact<br>1-4 | Key Mitigation Measures   | Risk Register<br>and Reference*                              |
|--|-------------------|---------------|---|--|
| We may be unable to react in a timely and effective way to financial demands   | 4                 | 4             | Continued monitoring and reporting of the Councils financial forecast during 2022/23 via quarterly reports to Cabinet. Reserves available to call upon.   | SRR004BDC  |
| Service delivery may not be accomplished<br>If economic conditions and other external factors are worse than budgeted for it | 3                 | 3             | Budget control framework in place with Budget Holders and Assistant Directors with the Business Partner model operating effectively to support this. Continued monitoring and reporting of the Councils financial forecast during 2022/23 via quarterly reports to Cabinet. | Finance,<br>Commissioning<br>and<br>Procurement<br>ORR005BDC |

## 9. CONSULTATIONS

9.1 Consultations have taken place with Assistant Directors, Corporate Managers and other Budget Managers as appropriate.

## 10. EQUALITY ANALYSIS

10.1 An equality analysis has not been completed because there is no action to be taken on service delivery as a result of this report.

**11. ENVIRONMENTAL IMPLICATIONS**

11.1 Directors, Corporate Managers and other Budget Managers continue to consider the environmental impact of their budgets and take the opportunity to reduce their carbon footprint as opportunities arise.

**12. APPENDICES**

| Title   | Location   |
|---|------------|
| General Fund Financial Monitoring Quarter 3 2022/23 | APPENDIX A |

**13. BACKGROUND DOCUMENTS**

21 February 2022 General Fund Budget 2022/23 and Four-Year Outlook – BC/21/31

5 September 2022 General Fund Financial Monitoring 2022/23 - Quarter 1 - BCa/22/18

5 December 2022 General Fund Financial Monitoring 2022/23 - Quarter 2 - BCa/22/32