

COUNCILLOR QUESTIONS TO CABINET – 23 FEBURARY 2023

Question 1

From: Councillor Ann-Marie Probert, Newton Farm ward

To: Cabinet Member, commissioning, procurement and assets

Ref the expansion plan for Aylestone School - do these plans include bright sparks nursery?

Response

Thank you for your question. This particular expansion relates to Aylestone School itself and not any other occupiers of this site. Herefordshire Council are expanding the school in light of the growing need for secondary school spaces in the north of the city. Bright Sparks Nursery occupies a space on the wider site of Aylestone School and it is intended that they will remain on site and continue to provide an onsite early years provision.

Question 2

From: Councillor Nigel Shaw, Bromyard Bringsty ward

To: Cabinet Member, Finance, Corporate Services and Planning

The third quarter revenue report shows an out of control budget deficit rising to £9.147m. Appreciating that there will be some positive balances that crystallise at the year end e.g. for employment costs, nevertheless there is likely to be an appreciable budget deficit at the end of the year. The budget recently passed was silent on this. Which reserve will this year's deficit have to draw on to provide a balanced outcome for 2022/23?

Response

The position reported at Quarter 3 represents the forecast budget outturn based on information available at 31 December 2022. In the remaining months of the 2022/23 financial year, Directorates will continue to identify recovery actions including reducing any discretionary spend where they can and making best planned use of any grant funding as part of financial management in the final quarter of the year to mitigate this forecast overspend.

The 2023/24 budget and Medium Term Financial Strategy 2023/24 to 2026/27, approved by Council on 10 February 2023, included proposals to fund the forecast overspend in 2022/23 from the council's Financial Resilience Reserve. This reserve was established to manage risks in the base budget, for example from unexpected demand which would include movements in forecast for the remaining months of the current financial year. This reserve will also fund the two year transformation programme the council has embarked on to improve the journey of the children in our care and services to the local community in line with the corporate plan. Any further use of reserves will be determined

once the final outturn for 2022/23 is confirmed as part of routine year end procedures to report financial performance and prepare the statutory accounts.

Supplementary question

Thank you for that clarification. It would be helpful if you would confirm where in the budget papers I can see the allocation of the Financial Resilience Reserve to meet the budget shortfall. Following an implementation of the decreased MRP provision what will be the expected balance of this reserve in March 2024?

Response

The 2022/3 in year movement is shown in appendix E of the revenue budget setting papers (page 557) which were presented to Council on the 10th of February.

The expected 31st March 2024 balance for the Financial Resilience Reserve is approximately £3m.