

FINANCE, AUDIT AND RISK COMMITTEE
15 JUNE 2020

PART 1 – PUBLIC DOCUMENT

TITLE OF REPORT: REVENUE BUDGET OUTTURN 2019/20

REPORT OF: THE SERVICE DIRECTOR - RESOURCES

EXECUTIVE MEMBER: EXECUTIVE MEMBER FOR FINANCE AND IT

COUNCIL PRIORITY: ENABLE AN ENTERPRISING AND CO-OPERATIVE ECONOMY

1. EXECUTIVE SUMMARY

- 1.1. The purpose of this report is to inform Cabinet of the summary position on revenue income and expenditure as at the end of the financial year 2019/20. The net outturn of £14.692m represents a £129k decrease from the working budget of £14.821million. There are corresponding requests to carry forward £195k (of underspends) to fund specific projects that will now take place in 2020/21. There is a further forecast impact on the 2020/21 base budget of a £149k increase. Within these summary totals there are a number of budget areas with more significant variances, which are detailed and explained in table 3. The report also provides an update on;
- the delivery of planned efficiencies (paragraph 8.4)
 - the use of budget approved to be carried forward from 2018/19 (paragraph 8.5)
 - performance against the four key corporate 'financial health' indicators (paras 8.6-8.8)
 - confirmation of the funding position as at the end of 2019/20 (table 6)
 - details of earmarked reserves movements and balances (table 8)

2. RECOMMENDATIONS

- 2.1. That Cabinet note this report.
- 2.2. That Cabinet approves a decrease of £129k in the 2019/20 net General Fund expenditure, as identified in table 3 and paragraph 8.1, to a total of £14.692million.
- 2.3. That Cabinet approves the changes to the 2020/21 General Fund budget, as identified in table 3 and paragraph 8.2, a total £344k increase in net expenditure.

- 2.4. That, as referred to in paragraph 8.3, Cabinet approves the transfer of £59k from the underspend on the General Fund to the Strategic Priority fund to enable the Leadership Team to undertake invest to save and/or continuous improvement projects.

That Cabinet recommends to Council

- 2.5. That Council approves the net transfer to earmarked reserves, as identified in table 8, of £2.161million.

3. REASONS FOR RECOMMENDATIONS

- 3.1. Members are able to monitor, make adjustments within the overall budgetary framework and request appropriate action of Services who do not meet the budget targets set as part of the Corporate Business Planning process.
- 3.2. Changes to the Council's balances are monitored and approved.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1. Budget holders have considered the options to manage within the existing budget but consider the variances reported here necessary and appropriate

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1. Consultation on the budget monitoring report is not required. Members will be aware that there is wider consultation on budget estimates during the corporate business planning process each year.

6. FORWARD PLAN

- 6.1. The report contains a recommendation on a key decision that was first notified to the public in the Forward Plan on the 13th March 2020.

7. BACKGROUND

- 7.1. Council approved the revenue budget for 2019/20 of £15.251million in February 2019. At the end of the year the working budget has decreased to £14.821million. Table 1 below details the approved changes to this budget to get to the current working budget:

Table 1 - Current Working Budget

	£k
Original approved budget for 2019/20	15,251
Quarter 3 2018/19 Revenue Monitoring report – 2019/20 budget changes approved by Cabinet (March 2019)	25
2018/19 Revenue Outturn Report – 2019/20 budget changes approved	521

	£k
by Cabinet (June 2019)	
Quarter 1 2019/20 Revenue Monitoring report - 2019/20 variances approved by Cabinet (July 2019)	(239)
Playgrounds report - delaying the removal of play equipment from two playgrounds in Royston until the 31st March 2020 – additional expenditure approved by Cabinet (July 2019)	4
Waste Collection from Multi Occupancy Properties report – retention of weekly residual waste collection service – variation to contract approved by Cabinet (July 2019)	68
Quarter 2 2019/20 Revenue Monitoring report – 2019/20 variances approved by Cabinet (December 2018)	(360)
Revenue monitoring included within 2020/21 budget report – 2019/20 variances approved by Cabinet (January 2020)	(187)
Quarter 3 2019/20 Revenue Monitoring report – 2019/20 variances approved by Chief Executive under delegated authority as a result of the Cabinet meeting on 24 March 2020 being cancelled due to Covid-19 situation (March 2020)	(262)
Current Working Budget	14,821

- 7.2. The Council is managed under Service Directorates. Table 2 below confirms the current net direct resource allocation of each Service Directorate in 2019/20 and how this has changed from the allocations published in the quarter three monitoring report.

Table 2 – Service Directorate Budget Allocations

Service Directorate	Working Budget at Q3	Changes approved at Q3	Other Budget Transfers	Current Net Direct Working Budget
	£k	£k	£k	£k
Chief Executive	1,807	(86)	(169)	1,552
Commercialisation	(463)	(50)	11	(502)
Customers	3,544	17	38	3,599
Legal & Community	2,262	(51)	33	2,244
Place	4,563	59	149	4,771
Regulatory Services	867	(142)	38	763
Resources	2,503	(9)	(100)	2,394
TOTAL	15,083	(262)	0	14,821

8. RELEVANT CONSIDERATIONS

- 8.1. Cabinet are asked to approve the net expenditure on the General Fund in 2019/20 of £14.692 million (recommendation 2.2). This is a net decrease of £129k on the working budget of £14.821million. Table 3 below highlights the most significant variances, which are generally more than £25k, and contains an explanation for each. The final columns detail if a carry forward into 2020/21 is requested and the estimated ongoing impact of any variances:

Table 3 - Summary of significant variances

Budget Area	Working Budget £k	Outturn £k	Variance £k	Reason for difference	Carry Forward Request £k	Estimated Impact on 2020/21 £k
Strategic Priorities Fund	41	0	(41)	A total budget of £100k was made available for the Strategic Priorities Fund in 2019/20, of which a total of £59k was allocated to successful investment bids. It is requested that the remaining £41k goes towards a new allocation of £100k for 2020/21.	41	0
Commercialisation Projects	85	52	(33)	A commercial consultant has compiled a report with several recommendations. The expertise of the consultant will be required in delivering these recommendations in the new year. The unspent budget is therefore requested to be carried forward to meet the associated costs in 2020/21.	33	0
COVID-19 Government Grant Income	0	(48)	(48)	Grant was received in March 2020 from MHCLG. The funding has not been ringfenced and can be allocated to COVID-19 pressures in whatever way the Council feels is appropriate.	0	0
Customers Directorate Employee Costs – Redundancy Costs	0	32	+32	Redundancy costs associated with the closure of the Document Centre in January.	0	0
Careline Service – Community Alarms Equipment	231	309	+78	Careline are now purchasing and installing digital alarms when an alarm requires replacement. The digital alarm costs twice as much as the analogue product previously installed but can be used up to three times, whereas the old analogue equipment could only be used once. Once there is sufficient turnover of the new alarm, annual equipment costs should reduce as alarms returned from former clients can be used for new installations.	0	78

Budget Area	Working Budget £k	Outturn £k	Variance £k	Reason for difference	Carry Forward Request £k	Estimated Impact on 2020/21 £k
Council Tax Court Summons Income	(228)	(201)	+27	Lower than budgeted Council Tax summons income follows the closure of the Court until at least June 30 th , in response to the COVID-19 pandemic. The Council has since not made any applications for the issue of court summons.	0	57
Net Housing Benefit Expenditure	400	430	+30	Increase in net cost is primarily due to an increase in benefit payments relating to temporary accommodation, which are not eligible for Housing Benefit Subsidy funding from Government. In 2018/19 this cost was £20k and this increased to £42k in 2019/20.	0	0
Commingled Recycling – Haulage and Processing Costs	381	462	+81	Variance reflects recent steep falls in sales prices for the materials collected, the income from which reduces the charge for haulage and processing. Monthly income from materials in the first eight months of the year averaged £38k, whereas for the remainder of the year the monthly average dropped to £20k. In addition, the total volume of commingled material collected in 19/20 was higher than the prior year, therefore increasing the amount of haulage and processing required.	0	0
Commingled Recycling – Recycling Credits Income	(446)	(472)	(26)	The higher volume of comingled material collected for recycling, and hence diverted from landfill, has increased the corresponding total of recycling credit income eligible from Hertfordshire County Council. The total annual tonnage rose from 9,360 tons in 2018/19 to 10,051 tons in 2019/20, an increase of 7%.	0	0
Textiles Recycling – Sales Income	(11)	0	+11	Both the volume of materials collected, and the price received for textiles, have fallen significantly. As such, officers are now investigating the viability of the service.	0	11
Garden Waste Service Expenditure	299	269	(30)	The underspend variance is due to a performance management reduction issued to the contractor for missed bin collections.	0	0

Budget Area	Working Budget £k	Outturn £k	Variance £k	Reason for difference	Carry Forward Request £k	Estimated Impact on 2020/21 £k
Garden Waste Service Income	(781)	(849)	(68)	Higher than budgeted income follows the removal, for the subscription period commencing 1 st August 2019, of both the £35 'early bird' offer and the £20 rate offered for those who joined partway through the first year of the service.	0	0
Green Space Management – Development and Maintenance of Howard Park	51	11	(40)	The Council supports the Friends of Howard Park group in maintaining the park through purchasing materials and equipment. Last year a large volume was purchased which meant that little extra was required this year. The activities of the Park Ranger in 2019/20 have also generally been focused on Norton Common rather than Howard Park, while the Countryside Management Service have used volunteers to carry out works such as hedge laying and cleaning ditches at no additional cost to the Council.	0	0
NHDC Trees Maintenance	110	74	(36)	Planned tree works were put on hold in 19/20 due to staff sickness. It is therefore proposed that the unspent budget is carried forward to fund the completion of the scheduled works in 2020/21.	36	0
Crematorium Project Consultants	30	6	(24)	The planning appeal hearing has been deferred to a later date. Consultants will be representing NHDC at the hearing and these costs will be invoiced once the hearing has taken place. It is therefore requested that the unspent budget is carried forward.	24	0
Car Parking – Pay-As-You-Use Income	(1,885)	(1,823)	+62	Shortfall in parking income is indicative of the impact of the response from the government and public to the COVID-19 pandemic. Income recorded for March of £107k is significantly lower than the £164k recorded for March 2019. On 16th March, the Government advised the public to stay at home where possible by working from home and limiting time in public spaces. On 20th March restaurants, pubs and cafes were ordered to close. These actions have affected the number of people going to town centres and using the car parks.	0	0

Budget Area	Working Budget £k	Outturn £k	Variance £k	Reason for difference	Carry Forward Request £k	Estimated Impact on 2020/21 £k
Parking Lines and Signs Maintenance	25	43	+18	The working budget total was reduced by the £64k approved to be carried forward into 20/21 (originally requested at Q2). Certain lines and signs however were since identified as being in urgent need of re-marking to ensure the necessary enforcement could be undertaken and prevent safety or anti-social parking issues. These works were consequently carried out in 2019/20. As a result, the carry forward budget requested has been amended accordingly.	(18)	0
Local Plan Legal and Consultants Costs	168	99	(69)	Local Plan hearings in March were suspended due to COVID-19 restrictions. This has resulted in the majority of the associated costs also being deferred until the resumption of the hearings when circumstances allow. As such, it is requested that the unspent budget is carried forward into 2020/21.	66	0
Planning Application Income	(820)	(861)	(41)	Forecast income from planning applications was reduced at Q3 based on the experience of the first three quarters of 2019/20. The overachievement of the revised budget at outturn indicates an increase in activity in the final quarter of the year.	0	0
Electric Vehicle Charging Consultants	15	0	(15)	This budget was an investment bid to engage consultants to undertake a study to review and consider opportunities from Electric Vehicle Charging. Officers have prepared a Scoping Document and undertaken a consultation to define the extent of a Strategy and agreed action plan for adoption in 2020/21. Work on the Strategy was underway prior to the pandemic and will continue into 20/21. The requested carry forward of the unspent budget will fund any specialist advice required.	15	0
Total of explained	(2,335)	(2,467)	(132)		197	146

Budget Area	Working Budget £k	Outturn £k	Variance £k	Reason for difference	Carry Forward Request £k	Estimated Impact on 2020/21 £k
variances						
Other minor balances	17,156	17,159	+3		(2)	3
Overall Total	14,821	14,692	(129)		195	149

- 8.2. Cabinet are asked to approve the estimated impact on the 2020/21 budget, a £344k increase in budget, which includes:
- £195k of budget carry-forwards from 2019/20 to 2020/21 for projects that were not completed by the end of the financial year. These are shown in the penultimate column of table 3 above. This will take the total carry-forward to £679k, after including those reported and approved at quarter 2, month 8 and quarter 3.
 - £149k increase in budget to reflect the estimated ongoing net impact in 2019/20 of variances identified in Q4. These are shown in the final column of table 3 above.
- 8.3. Cabinet are asked to approve the transfer of £59k from the underspend in 2019/20 into the Strategic Priorities Fund in the following year (recommendation 2.4). Along with the Strategic Priorities Fund carry forward of £41k requested, this will bring the total amount in the fund next year to £100k. The fund provides the Council's Leadership Team with authority to approve the allocation of the funds during the year for invest to save or continuous improvement projects as the opportunity arises. As identified in the Corporate Peer Challenge Action Plan report (also on the agenda of this Cabinet meeting) there could be transformation and continuous improvement projects identified that could be funded from this budget.
- 8.4. The original approved budget for 2019/20 (and therefore working budget) included efficiencies totalling £610k, which were agreed by Council in February 2019. Progress in delivering the efficiencies identified has been monitored throughout the year and reported at each quarter. All the efficiencies approved in February last year for 2019/20 have been delivered.
- 8.5. The working budget for 2019/20 includes budgets totalling £689k that were carried forward from the previous year. These are generally carried forward so that they can be spent for a particular purpose that had been due to happen in 2018/19 but was delayed into 2019/20. At the end of the year a total of £197k of the budget carried forward has not been spent in 2019/20, as detailed in Table 4 below, of which £187k has been requested to be carried forward into 2020/21.

Table 4 – Unspent Carry Forward Budget in 2019/20

Monitoring Report	Carry Forward Budget in 19/20 (£k)	Project	Underspend reported (£k)
Q2	13	Herts Warmer Homes Project	10
Q2	64	Parking Lines and Signs; forecast underspend at Q2 of £64k since revised at Outturn, as highlighted and explained in Table 3 above.	46
Q3	17	Brexit Grant Expenditure	17
Q3	87	Community Infrastructure Levy	87
Outturn	95	Commercialisation projects; £52k of the £85k carry forward budget has been spent in 2019/20, with the remainder requested to be carried forward into 2019/20 (as highlighted and explained in table 3 above).	33
Outturn	18	Letchworth Area Committee; 50% of a grant awarded in June 2019, funded from 2018/19 carry forward budget, is payable in June 2020.	2
Outturn	6	Southern Rural Area Committee; The March 2020 meeting of the Southern Rural Area Committee was cancelled due to COVID-19 so the balance of the 2018/19 carry forward was not spent in 2019/20. This has since been allocated and spent as grants were awarded by delegated decision in April 2020.	2
Total Underspend 2019/20			197

- 8.6. There are 4 key corporate ‘financial health’ indicators identified in relation to key sources of income for the Council. Table 5 below shows the performance for the year. A comparison is made to the original budget to give the complete picture for the year. Each indicator is given a status of red, amber or green. A green indicator means that income recorded matched or exceeded the budgeted level of income. A red indicator means that the outturn has not met the budgeted level of income. An amber indicator is only used during the year to highlight that there is a risk that the budgeted level of income may not be met.
- 8.7. At the end of the year, three indicators are green and one indicator is red.
- 8.8. The red indicator in relation to income from planning applications was highlighted within the revenue monitoring report at quarter 3. While the position improved during quarter four, as indicated by the income variance highlighted in table 3 above, the uncertainty around the next steps of the Local Plan and the national situation with regards to Brexit are believed to have impacted upon the level of income during the year; either through uncertainty with regard to the timescale for sites to progress or through uncertainty around house prices and mortgage rates.

Table 5 - Corporate financial health indicators

Indicator	Status	Original Budget	Outturn	Projected Variance
		£k	£k	£k
Planning Application Fees (including fees for pre-application advice)	Red	(950)	(861)	+89
Land Charges	Green	(164)	(165)	(1)
Car Parking Fees	Green	(1,809)	(1,823)	(14)
Parking Penalty Charge Notices	Green	(532)	(726)	(194)

FUNDING, RISK AND GENERAL FUND BALANCE

- 8.9. The Council's revenue budget is funded from the following main sources; Council Tax, New Homes Bonus and Retained Business Rates income. The Council was notified by Central Government in February 2019 of the amount of New Homes Bonus it could expect to receive in 2019/20 and planned accordingly.
- 8.10. Council Tax and Business Rates are accounted for in the Collection Fund rather than directly in our accounts, as we also collect them on behalf of other bodies. Each organisation has a share of the balance on the Collection Fund account.
- 8.11. At the end of 2019/20, there is an overall deficit on the NHDC share of the Council Tax Collection Fund of £82k. Part of the deficit (£21k) relates to the deterioration in the position in the final quarter of 2018/19, as explained in the Quarter One Revenue Monitoring report. The £82k overall deficit is £27k higher than the £55k deficit anticipated for 2019/20 at the time of setting the budget for 2020/21. Statute requires that the £55k estimate must be repaid to the Collection Fund in 2020/21. The £27k difference will be incorporated in the calculation of the surplus/deficit for 2020/21 and therefore not impact the General Fund position until 2021/22.
- 8.12. The recent trend of deficits on the Council Tax Collection Fund, after several consecutive years of recording annual surpluses, is attributed to the amount of Council Tax reduction awarded. In previous years falling numbers of claimants eligible for Council Tax reduction had more than offset the absolute increase in the reduction amount awarded to those eligible, which has increased as Council Tax has risen. The trend of falling numbers of claimants has however plateaued over the last eighteen months and is now likely to increase with the economic impact of the COVID-19 pandemic.

- 8.13. With regards to Business Rates, while income collected in year was in line with original estimates, at the end of 2019/20 there is an overall surplus on the NHDC share of the Business Rates Collection Fund of £365k. The overall surplus position comprises a £911k in-year surplus for 2019/20 that is partially offset by the £546k adjustment for the prior year final outturn, as detailed and explained at Quarter One. Both amounts are primarily explained by changes to the calculation of the provision required for business rates appeals. At the end of 2018/19, it was considered prudent that the provision calculation reflected the experience of Hertfordshire as a whole in terms of the impact of successful appeals on rates income. This change increased the contribution required to the provision in 2018/19 and hence increased the final recorded deficit for that year. In reviewing the position at the end of this financial year, a revised approach was taken to identifying premises most likely to appeal successfully and for which provision should be made. This has reduced the total amount of provision required at the end of 2019/20, with the release of some of the provision making an £820k contribution to the £911k in-year surplus recorded.
- 8.14. The Central Government return submitted in January 2020 estimated an overall Business Rates Collection Fund deficit for 2019/20 of £294k. The contribution to the Collection Fund required in 2020/21 in respect of the position for 2019/20 is based on this January estimate. The £659k difference between the actual surplus of £365k and the January estimated deficit of £294k will be included in the calculation of the estimated surplus/deficit for 2020/21 (submitted to Central Government in January 2021), and hence will affect the calculation of the Council's retained business rates income for 2021/22.
- 8.15. While legislation requires that annual Collection Fund surpluses or deficits do not affect the General Fund balance in the year they are recorded, the Council's share of the gain from Hertfordshire being a Business Rate pilot in 2019/20 will increase the General Fund balance at the end of March 2020. The actual gain is dependent on the overall Business Rates collected across Hertfordshire. Calculation of the gain is being coordinated by Hertfordshire County Council. At the time of writing the amount is still to be confirmed, with timetables and processes delayed by the impact of the COVID-19 emergency. The funding total in table 6 below currently assumes only the budgeted business rates baseline amount, which represents close to the minimum level of funding the Council can expect to receive from business rates. It should therefore be noted that, once notification of the final gain amount is received from the County Council, accounting for the gain will increase the General Fund balance at 31 March 2020 to a total higher than that currently shown in table 6.
- 8.16. The Council also receives compensation in the form of a grant from Central Government for business rate reliefs introduced, which goes into our funds rather than the Collection Fund. In 2019/20 NHDC received grant totalling £1.922m. We are holding the grant received in a reserve to fund the repayment of deficits recorded in future years.

Some of the amount held in reserve has been used in 19/20 to fund the repayment to the Collection Fund of the deficit for 2018/19, as shown in table 6, and some will be used in the next financial year to fund the repayment of the £294k deficit amount highlighted above.

- 8.17. Table 6 summarises the impact on the General Fund balance of the outturn position detailed in this report. It should however also be noted at this point that the Statement of Accounts is yet to be audited and changes to the General Fund balance may arise as a result of the final accounts audit.

Table 6 – General Fund impact

	Working Budget £k	Outturn £k	Difference £k
Brought Forward balance (1st April 2019)	(7,862)	(7,862)	-
Net Expenditure	14,821	14,692	(129)
Funding (Council Tax, Business Rates, NHB)	(15,319)	(15,319)	0
Contribution to Funding Equalisation Reserve	68	68	0
Contribution to Collection Fund	58	58	0
Funding from Reserves (including Business Rate Relief Grant and transfer of reserves as approved at Full Council in February 2020)	(405)	(405)	0
Carried Forward balance (31st March 2020)	(8,639)	(8,768)	(129)

- 8.18. The minimum level of General Fund balance is determined based on known and unknown risks. Known risks are those things that we think could happen and we can forecast both a potential cost if they happen, and percentage likelihood. The notional amount is based on multiplying the cost by the potential likelihood. The notional amount for unknown risks is based on 5% of net expenditure. There is not an actual budget set aside for either of these risk types, so when they occur they are reflected as budget variances (see table 3). We monitor the level of known risks that actually happen, as it highlights whether there might be further variances. This would be likely if a number of risks come to fruition during the early part of the year. We also use this monitoring to inform the assessment of risks in future years. The notional amount calculated at the start of the year for known risks was £1,203k, and at the end of the financial year a total of £349k have come to fruition. The identified risk realised in the final quarter relates to;

- Recycling services. Increase in net cost due to both; increased cost of haulage and processing of commingled recycling collected - £81k; the reduction in income from textiles collected for recycling - £11k (both highlighted in table 3 above).

Table 7 – Known financial risks

	£'000
Original allowance for known financial risks	1,203
Known financial risks realised in Quarter 1	(17)
Known financial risks realised in Quarter 2	(84)
Known financial risks realised in Quarter 3	(156)
Known financial risks realised in Quarter 4	(92)
Remaining allowance for known financial risks	854

EARMARKED RESERVES

8.19. The Council has a number of earmarked reserves, which can be used to fund revenue expenditure. These are detailed in Table 8 below. A total of £3.372million has been contributed to the reserves in 2019/20 and a total of £1.211million has been transferred out of the reserves to the General Fund. The total transferred to the General Fund includes the release of those balances no longer needed - the Community Right to Challenge Reserve, Environmental Warranty Reserve, Property Maintenance Reserve and the Street Furniture Reserve - as detailed and explained in the Revenue Budget Report 2020/21 and approved by Council in February this year.

8.20. Cabinet are therefore asked to recommend to Council that the net contribution to reserves of £2.161million be approved (recommendation 2.5), which leaves a total balance in earmarked reserves at 31 March 2020 of £9.344million.

Table 8 – Earmarked Reserves

	Balance at 1 April 2019	Contributions to reserve	Transfers out of reserves	Balance at 31 March 2020
	£'000	£'000	£'000	£'000
Cemetery Mausoleum Reserve	161	7	(1)	167
Childrens Services Reserve	7	52	(2)	57
Climate Change Grant Reserve	28	0	(2)	26
Community Right to Challenge Reserve	45	0	(45)	0
MHCLG Grants Reserve	1,814	2,004	(77)	3,741
DWP Additional Grants Reserve	190	116	(121)	185
Environmental Warranty Reserve	209	0	(209)	0
Funding Equalisation Reserve	0	68	0	68
Growth Area Fund Reserve	53	0	0	53
Homelessness Grants Reserve	262	210	(59)	413
Housing & Planning Delivery Reserve	1,142	95	(168)	1,069
Information Technology Reserve	82	0	(4)	78
Insurance Reserve	34	0	0	34
Land Charges Reserve	94	0	0	94

	Balance at 1 April 2019	Contributions to reserve	Transfers out of reserves	Balance at 31 March 2020
	£'000	£'000	£'000	£'000
Leisure Management Maintenance Reserve	47	30	0	77
Museum Exhibits Reserve	12	1	0	13
Neighbourhood Plan Reserve	41	40	(3)	78
Office Move IT Works	7	0	(7)	0
Paintings Conservation Reserve	11	0	0	11
Property Maintenance Reserve	72	0	(72)	0
S106 Monitoring Reserve	36	0	(17)	19
Special Reserve	1,395	0	(220)	1,175
Street Furniture	21	0	(21)	0
Street Name Plates	16	0	0	16
Syrian Refugee Project	115	339	(182)	272
Taxi Licences Reserve	13	2	0	15
Town Centre Maintenance	45	8	0	53
Traffic Regulation Orders	347	0	(1)	346
Waste Reserve	631	99	0	730
Waste Vehicles Reserve	253	301	0	554
Total Revenue Reserves	7,183	3,372	(1,211)	9,344

9. LEGAL IMPLICATIONS

- 9.1. The Cabinet has a responsibility to keep under review the budget of the Council and any other matter having substantial implications for the financial resources of the Council. Specifically, 5.6.8 of Cabinet's terms of reference state that it has remit "*to monitor quarterly revenue expenditure and agree adjustments within the overall budgetary framework*". By considering monitoring reports throughout the financial year Cabinet is able to make informed recommendations on the budget to Council. The Council is under a duty to maintain a balanced budget and to maintain a prudent balance of reserves.
- 9.2. The Accounts and Audit Regulations 2015 require that the Annual Statement of Accounts be approved and published.
- 9.3. The requirement for financial reserves is acknowledged in statute. Sections 31A, 32 42A and 43 of the Local Government Finance Act 1992 require billing and precepting authorities in England and Wales to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement.
- 9.4. The Council must ensure sufficient flexibility to avoid going into deficit at any point during the financial year. The Chief Financial Officer is required to report on the robustness of the proposed financial reserves, under Section 25 of the Local Government Act 2003.
- 9.5. Section 151 of the Local Government Act 1972 requires every local authority to make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs. The level of the general reserve is a matter for the Council to determine having had regard to the advice of the S151 Officer.
- 9.6. This is a requirement of the Council Procedure Rules as set out in Part 4.4.1 (b) and 4.4.1 (k) of the Council's Constitution.

10. FINANCIAL IMPLICATIONS

- 10.1. Members have been advised of any variations from the budgets in the body of this report and of any action taken by officers.
- 10.2. The General Fund balance of £8.768million (table 6) meets the recommended minimum balance of General Fund reserves agreed when the budget was set. The Statement of Accounts is however yet to be audited and changes to the General Fund balance may arise as a result of the final audit. As the Housing Benefit claim is also yet to be audited, the relevant values included in the reported outturn are based on un-audited figures.

11. RISK IMPLICATIONS

- 11.1. As outlined in the body of the report. The process of quarterly monitoring to Cabinet is a control mechanism to help to mitigate the risk of unplanned overspending of the overall Council budget.

12. EQUALITIES IMPLICATIONS

- 12.1. In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.2. For any individual new revenue investment proposal of £50k or more, or affecting more than two wards, a brief equality analysis is required to be carried out to demonstrate that the authority has taken full account of any negative, or positive, equalities implications; this will take place following agreement of the investment.

13. SOCIAL VALUE IMPLICATIONS

- 13.1. The Social Value Act and “go local” policy do not apply to this report.

14. ENVIRONMENTAL IMPLICATIONS

- 14.1. There are no known Environmental impacts or requirements that apply to this report.

15. HUMAN RESOURCE IMPLICATIONS

- 15.1. Although there are no direct human resource implications at this stage, care is taken to ensure that where efficiency proposals or service reviews may affect staff, appropriate communication and consultation is provided in line with HR policy.

16. APPENDICES

- 16.1. None.

17. CONTACT OFFICERS

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18. BACKGROUND PAPERS

- 18.1. None.