

6a REFERRAL FROM FINANCE, AUDIT AND RISK COMMITTEE: 8 MARCH 2023 – THIRD QUARTER REVENUE BUDGET MONITORING 2022/23

RECOMMENDED TO CABINET:

- 2.1 That Cabinet note this report.
- 2.2 That Cabinet approves the changes to the 2022/23 General Fund budget, as identified in table 3 and paragraph 8.3, a £1.090million decrease in net expenditure.
- 2.3 That Cabinet approves the changes to the 2023/24 General Fund budget, as identified in table 3 and paragraph 8.3, a total £549k increase in net expenditure.
- 2.4 That Cabinet approves the use of £140k of salary budget carry-forward for additional Service Director capacity for an 18- month period, and that the allocation of the remainder (if needed) will be delegated to the Managing Director (as Head of Paid Service), in consultation with the Leader, Deputy Leader and Executive Member for Finance and IT.

REASONS FOR DECISIONS:

- 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.

The Service Director – Resources presented the report entitled Third Quarter Revenue Budget Monitoring 2022/23 and advised:

- This was the standard quarterly report on the revenue budget position.
- This report covered quarter 3, which covered up to the end of December.
- Table 3 highlighted variances reported at this time. Some were in relation to staffing, where there had been issues in staff recruitment.
- Agency staff had been used to cover, which could be expensive.
- Interest investment income was increasing as the base rate had continued to increase throughout the year.
- Co-mingled recycling coalition processing costs market for recycled materials was moving. At the start of the year, there was a big movement in terms of increased income.
- It was likely that this would now decrease as material markets had moved again during the year.
- The budget for next year was still sound as it was based on the original budget and not the previously recalculated budget.
- Paragraph 8.2 detailed staffing and the recommendation for Cabinet to consider in relation to the carry forward of some staffing underspend and staffing resourcing for next year.
- Money would be used on a short-term basis only to help the Council achieve their priorities and help manage staff workloads.
- Tables 4 and 5 detailed performance indicators in relation to finances and supporting data.
- Table 6 detailed the General Fund impact. The forecast for the General Fund balance at the end of the year was more positive than it was, as a result of the current year underspend.

- The recommendation requests a carry forward of £549k as covered in Table 2, so this would be the spending of some of the additional General Fund balance.
- The general release of the Mausoleum reserves was a transfer between reserves.
- In future, there was potential for Government funding cuts and two contracts up for renewal. Therefore, having a healthy General fund balance was needed as cover for those significant risks.

Councillor Terry Tyler proposed, Councillor Clare Billing seconded and following a vote, it was:

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REASONS FOR DECISION:

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.

The report considered by Finance, Audit and Risk Committee at the meeting held on 8 March 2023 can be viewed at Minute 64 here:

[Agenda for Finance, Audit and Risk Committee on Wednesday, 8th March, 2023, 7.30 pm | North Herts Council \(north-herts.gov.uk\)](#)