

Item No	Referred from:	Finance, Audit and Risk Committee
6C	Date:	13 September 2023
	Title of item:	First Quarter Revenue Budget Monitoring 2023-24
To be considered alongside agenda item:		Agenda item 14

The report considered by Finance Audit and Risk at the meeting held on 13 September 2023 can be viewed here: [Agenda for Finance, Audit and Risk Committee on Wednesday, 13th September, 2023, 7.30 pm | North Herts Council \(north-herts.gov.uk\)](#)

RECOMMENDATIONS TO CABINET:

- (1) That Cabinet note this report.
- (2) That Cabinet approves the changes to the 2023/24 General Fund budget, as identified in table 3 and paragraph 8.2, a £1.119million decrease in net expenditure.
- (3) That Cabinet notes the changes to the 2024/25 General Fund budget, as identified in table 3 and paragraph 8.2, a total £270k increase in net expenditure. These will be incorporated in the draft revenue budget for 2024/25.

REASONS FOR RECOMMENDATIONS: 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.

Audio Recording 57 minute 51 seconds

The Service Director – Resources presented the report entitled ‘First Quarter Revenue Budget Monitoring 2023-24 and highlighted:

- A change had been made to the version of this report that would be presented to Cabinet due to a notification from Government of the potential to create a business rates pool for the financial year 2024-25.
- The Business Rate pool would allow a small group of authorities in Hertfordshire to join together which had historically worked in the Councils’ favour.
- A decision to join the pool was required by early October, and work was ongoing with the Service Director - Resources, a group of consultants, and the Executive Member for Finance and IT to determine if the risk was reasonable.
- Table 3 of the report detailed the various changes to Budget, the biggest change related to the Treasury Investment Income due to the Interest rate increase. Interest on the Council cashflow was not a long-term source of income.
- The Staff Pay Award was still pending, with a likely £258K overspend if the current employee offer was agreed, this would be backdated to 1 April 2023.
- Page 291 of the report highlighted the performance indicators of the key income sources, and their performance compared to the previous year.
- Table 6 of the report provided an update on the Covid 19 provision.
- The overall General Fund Impact had an underspend against budget which was forecasted as £2.649M for the end of the financial year.

The following Members asked questions:

- Councillor Tasmin Thomas
- Councillor Sean Nolan

In response to questions the Service Director – Resources stated:

- The working budget for the pay award was based on an overall 4% employee pay award, though, due to the structure of the offer, some staff would receive more than 4% and others less, depending on their pay grade.
- There had been external costs of £2K for the Baldock Fire Recovery, this did not cover Officers time. The item had been highlighted as risks and costs may increase.
- The full Leisure Management fee is now being paid and was back to the Pre Covid amount. The new Leisure Contract was still in the tendering process, and the income from these fees are currently unknown.

Councillor Tasmin Thomas proposed and Councillor Mandi Tandi seconded and, following a vote, it was:

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