

Item No	Referred from:	FINANCE AUDIT & RISK COMMITTEE
6a	Date:	13 DECEMBER 2023
	Title of item:	SECOND QUARTER REVENUE BUDGET MONITORING 2023/24
To be considered alongside agenda item:		12

The report considered by Finance Audit & Risk Committee at the meeting held on 13 December 2023 can be viewed here [Agenda for Finance, Audit and Risk Committee on Wednesday, 13th December, 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 adjustments to the 2023/24 General Fund budget, as identified in table 3 and paragraph 8.2, a £450k 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 £769k increase in net expenditure. These will be incorporated in the draft revenue budget for 2024/25

REASON 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 41 minutes 2 seconds

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

- The major movements in variances were detailed in table 3 on page 87 of the report, with the continued high interest rates contributing to the treasury investment income.
- There had been some slippage with items, and these were requested to be carried over to 2024/25 budget. The main reason for the slippage related to resourcing.
- There has been a slight drop of income from trade waste, and there had also been a fall in the price and volumes achieved for recycling paper.
- Income from car parking had been identified as a long term risk on the Medium Term Financial Strategy (MTFS), long stay and season tickets sales seem to have been affected by employees working from home.
- Car park payments made by card have a card transaction fee which would be an ongoing cost.
- Income from garden waste and penalty charges were in line with the budget and had been highlighted as a green risk.
- With a slowing of small applications the income from Planning applications had moved to an amber risk indicator. Some of the shortfall was being covered by income from larger sites.
- Leisure centre management fees, commercial refuse & recycling services and car parking fees had all been given a red risks indicator.

- The contingency for Covid highlighted in table 6 of the report would now be released to offset areas where there had been an overspend.
- Table 7 detailed the projected end of year General Fund balance and this was higher than expected due to interest generated on investments.
- There were ongoing budget challenges which in the short term had been off-set by the income generated from the high interest rates.

The following Members asked question:

- Councillor Tamsin Thomas
- Councillor Terry Hone
- Councillor Tom Plater
- Councillor Sean Nolan

In response to questions the Service Director – Resources stated:

- The principal areas affected by staff recruitment included, Legal, Estates, Planning, Environmental Health and this was reflected across other authorities.
- There was a known struggle to keep staff with transferable skills even with using golden hellos (which would have retention clauses), especially when the private sector offered higher salaries.
- Apprenticeships had helped with staff recruitment, but it takes time to train an employee and the skilled roles still required staffing.
- Work was ongoing to enhance the employment package offered to new employees.
- More details would be sent outside of the meeting regarding the increased postage costs which did not include the distribution of the recent Outlook magazine.
- The leadership team were looking at the implications of salary pay points, this had been highlighted on the Council Delivery Plan and to the Overview and Scrutiny Committee.
- Last year £300K was carried forward from the unspent salary budget to be spent on short-term capacity to support the Council. Examples of how this was used include an extra HR post (to create capacity for work on improving our attractiveness as an employer) and Grant Officer post (with the aim of improving funding from grants coming into the Council).
- Any changes made to the salary packages of employees would be permanent and could not be used as a short-term fix.
- The issuing of Parking Penalties can be linked to whether the team was fully staffed, but also reflected whether residents and visitors were parking properly.
- The cost for any Planning Public Inquiries were not recoverable.

Councillor Terry Hone proposed and Councillor Mandi Tandi seconded and, following a vote, it was:

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