

PART 1 – PUBLIC DOCUMENT

TITLE OF REPORT: THIRD QUARTER REVENUE BUDGET MONITORING 2023/24

REPORT OF: THE SERVICE DIRECTOR - RESOURCES

EXECUTIVE MEMBER: EXECUTIVE MEMBER FOR FINANCE AND IT - IAN ALBERT

COUNCIL PRIORITY: SUSTAINABILITY

1. EXECUTIVE SUMMARY

- 1.1. The purpose of this report is to inform Cabinet of the summary position on revenue income and expenditure forecasts for the financial year 2023/24, as at the end of the third quarter. The forecast variance is a £415k decrease in the net working budget of £17.103million, with an ongoing impact in future years of a £68k increase, and requests to carry forward unspent budget totalling £343k to fund specific projects and activities in 2024/25. Explanations for all significant variances are provided in table 3.

2. RECOMMENDATIONS

That the Finance, Audit and Risk Committee provide comments and recommend to Cabinet the Third Quarter Revenue Budget Monitoring 2023/24

- 2.1. That Cabinet note this report.
- 2.2. That Cabinet approves the adjustments to the 2023/24 General Fund budget, as identified in table 3 and paragraph 8.2, a £415k decrease in net expenditure.
- 2.3. That Cabinet approves the changes to the 2024/25 General Fund budget, as identified in table 3 and paragraph 8.2, a total £411k increase in net expenditure.

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.

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 15 December 2023.

7. BACKGROUND

- 7.1. Council approved the revenue budget for 2023/24 of £18.496million in February 2023. As at the end of Quarter Three, the working budget has reduced to £17.103million. Table 1 below details the approved changes to this budget to get to the current working budget:

Table 1 - Current Working Budget

	£k
Original Revenue Budget for 2023/24 approved by Full Council	18,496
Quarter 3 2022/23 Revenue Budget Monitoring report – 2023/24 budget changes approved by Cabinet (March 2023)	549
2022/23 Revenue Budget Outturn Report – 2023/24 budget changes approved by Cabinet (June 2023)	(47)
First Quarter Revenue Monitoring 2023/24 report - 2023/24 variances approved by Cabinet (September 2023)	(1,119)
Second Quarter Revenue Monitoring 2023/24 report - 2023/24 variances approved by Cabinet (January 2024)	(475)
Month 8 revenue monitoring included within 2024/25 budget report – 2023/24 variances approved by Cabinet (February 2024)	(301)
Current Working Budget	17,103

- 7.2. The Council is managed under Service Directorates. Table 2 below confirms the current net direct resource allocation of each Service Directorate and how this has changed from the budget allocations published in the Quarter Two revenue monitoring report.

Table 2 – Service Directorate Budget Allocations

	Working Budget at Quarter Two	Changes approved at Q2 2023/24	Changes approved at Month 8 2023/24	Other Budget Transfers in Q3	Current Net Direct Working Budget
Service Directorate	£k	£k	£k	£k	£k
Managing Director	(513)	(573)	0	(140)	(1,226)
Customers	4,251	(67)	(320)	(34)	3,830
Enterprise	58	(161)	5	0	(98)
Legal & Community	2,800	(29)	0	1	2,772
Place	6,056	327	0	1	6,384
Regulatory Services	2,204	111	9	140	2,464
Resources	3,023	(83)	5	32	2,977
TOTAL	17,879	(475)	(301)	0	17,103

8. RELEVANT CONSIDERATIONS

- 8.1. Service Managers are responsible for monitoring their expenditure and income against their working budget. Table 3 below highlights those areas where there are forecast to be differences. An explanation is provided for each of the most significant variances, which are generally more than £25k. The final columns detail if there is expected to be an impact on next year's (2024/25) budget:

Table 3 - Summary of significant variances

Budget Area	Working Budget £k	Forecast Outturn £k	Variance £k	Reason for difference	Carry Forward Request £k	Estimated Impact on 2024/25 £k
Treasury Investments Interest Income	(3,014)	(2,940)	+74	Decrease in forecast interest income reflects lower cash balances available for investment during the quarter than anticipated when the revised income forecast at quarter two was prepared (which increased the interest income budget by £413k).	0	0
Corporate Apprenticeship Scheme	107	0	(107)	A proportion of this underspend relates to several apprentices who either moved into a permanent role before the end of their apprenticeship or left the Council mid-way through their apprenticeship. In addition, the resource for apprenticeship salaries was increased during the year by both £23k of government incentive funding and the allocation of £52k from the 2022/23 staffing carry forward of £300k for a higher-level HR apprentice on a 22-month contract. Part of the carry forward requested will therefore be used to fund this post in the next financial year.	107	0
Customers Directorate Staffing Costs	5,912	5,821	(91)	Forecast salary underspend results from various vacant posts due to difficulty in recruiting temporary and permanent staff in the MSU, IT Services and the Customer Service Centre. It is requested to carry forward £39k of the unspent budget to extend the funding of the Digital Services team until March 2025. This will facilitate the delivery of the programme of works identified in the Council's Digital Strategy 2024-2027 approved by Cabinet in February.	39	0
Careline Service – income contributions from Hertfordshire County Council	(2,713)	(2,753)	(40)	Increase in projected income over and above corresponding costs is due to the refurbishment and reuse of returned equipment. The Council receives fixed contributions from HCC for new installations, regardless of whether the equipment installed is newly purchased or refurbished. The growth in the staffing establishment required to recruit the necessary engineers is already included in the working budget.	0	0

Budget Area	Working Budget £k	Forecast Outturn £k	Variance £k	Reason for difference	Carry Forward Request £k	Estimated Impact on 2024/25 £k
Enterprise Directorate Staffing Costs	1,201	1,118	(83)	The forecast underspend is mainly due to vacancies held in the Commercial Projects team with a team restructure anticipated in around May this year. The restructure will ensure that the make-up of the team is aligned to the Enterprise work programme for the years ahead, including supporting the progress of the Churchgate project, Economic Development, and tourism.	0	0
Legal & Community Directorate Staffing – Elections Support	30	10	(20)	The delegated decision of the 9 June 2023 on the allocation of the £300k staffing underspend carried forward from 2022/23 earmarked up to £30k for additional part-time elections support up until the next General Election. With an all-out District Council election scheduled for May 2024 and a General Election due to take place no later than January 2025, it is requested that the amount forecast to be unspent at the end of this financial year is carried forward to cover the cost of the additional elections support in the next financial year.	20	0
Income from Taxi Licenses	(141)	(111)	+30	The forecast shortfall in taxi licence licensing income is due, predominantly, to the irregular pattern of licence renewals (6mths, 1yr, 2yr, 3yr, 5yr), which is difficult to reflect in a typical average year resulting in a shortfall some years and an excess in others.	0	0
Fly Tipping Costs	55	123	+68	There has been an increase in some fly tip types, in particular white goods, commercial waste and green waste. An increase in the instances of fly tipping directly increases costs incurred, with an increase in the size of fly tips also increasing costs.	0	68
Regulatory Directorate Staffing Costs	4,703	4,648	(55)	Forecast staffing underspend is mainly due to recruiting difficulties in Planning resulting in a higher level of vacancies. As noted in the presentation of the Revenue Budget 2024/25 report to Cabinet in February, some of the staffing underspend (£10k) will be used to finance the appointment of the Luton Airport expansion consultants (referred to below) as, due to the recruitment difficulties, there is a lack of capacity and expertise to undertake this work in-house. It is requested that the remaining £45k of the unspent staffing budget is carried forward to fund the work of the Town Centre Strategy temporary agency post in the next financial year. The agency staff member is currently in post, and it is proposed to extend their contract until August to progress the implementation of the town centre strategies.	45	0

Budget Area	Working Budget £k	Forecast Outturn £k	Variance £k	Reason for difference	Carry Forward Request £k	Estimated Impact on 2024/25 £k
Service Director Housing & Environmental Health	140	62	(78)	At the meeting in March 2023, Cabinet approved the use of £140k of salary budget carry forward for additional Service Director capacity for an 18-month period. With the Service Director in post from the 14 August 23, the forecast unspent budget is requested to be carried forward to cover the period to February 2025.	78	0
Transport User Forum	46	0	(46)	The change in the use of most of the Transport User Forum investment budget carried forward from 2022/23 was highlighted to Cabinet at the last meeting in February in the presentation of the Revenue Budget 2024/25 report. £40k of the investment bid will instead now be used for consultants on the Luton Airport Expansion (as referred to below). The remaining budget of £6k is requested to be carried forward to fund the activity of the Transport Users Forum and any associated consultation or promotion undertaken in future years.	6	0
Planning Policy Consultants – Luton Airport Expansion	0	50	+50	Consultants are required for the preparation of the Council's response and representations to the examination of the proposed Luton Airport expansion. The Council has been defined as a host authority, with the impact of the expansion directly affecting residents as well as the relocated portion of Wigmore Valley Park within North Herts, albeit on land owned by Luton Rising.	0	0
Sustainable Travel Town	20	0	(20)	Joint Member Steering Groups have been set up for both Letchworth and Royston Sustainable Travel Towns and officers are working with the Steering Group to agree projects to be taken forward as part of the implementation plan for next financial year. It is therefore requested that this investment budget is carried forward to finance the implementation in next year.	20	0
Town Wide Reviews	19	9	(10)	A number of Traffic Regulation Orders (TROs) are mid process following consultation across all four towns and Knebworth. It is requested to carry forward the forecast unspent budget to fund the completion of the various outstanding TROs, with the publication of the orders and implementation of the associated restrictions anticipated by the summer.	10	0

Budget Area	Working Budget £k	Forecast Outturn £k	Variance £k	Reason for difference	Carry Forward Request £k	Estimated Impact on 2024/25 £k
Local Plan Post Adoption review – expenditure on consultants	26	8	(18)	Cabinet approved, in principle, a full review of the Local Plan in January 2024. The Levelling Up and Regeneration Act was, however, only published in November 2023 (having been expected earlier in the year), while secondary legislation and Government guidance setting out how a Local Plan should now be prepared are still awaited. This, alongside ongoing recruitment challenges, means work through to the end of the financial year will be more focussed on implementation of the current Local Plan rather than initiating new workstreams in relation to the review. While there is expected to be some expenditure on the review in this financial year, it is requested to carry forward a further £18k of unspent budget, in addition to those amounts previously requested to be carried forward at Qtr2 (60k) and month 8 (£30k).	18	0
Car Parking PCN Income	(683)	(743)	(60)	The number of penalty charge notices issued is ahead of budget with the Civil Enforcement Officer team managing higher levels of traffic offences within and around the town centres.	0	0
Total of explained variances	5,708	5,302	(406)		343	68
Other minor balances	11,395	11,386	(9)		0	0
Overall Total	17,103	16,688	(415)		343	68

8.2. Cabinet are asked to approve the differences highlighted in the table above (a £415k decrease in spend), as an adjustment to the working budget (recommendation 2.2). Cabinet are also asked to approve the estimated impact on the 2024/25 budget, a £411k increase in budget that includes the request to carry forward £343k of unspent budget for specific projects next year (recommendation 2.3).

8.3. The original approved budget for 2023/24 (and therefore working budget) included efficiencies totalling £1.521million, which were agreed by Council in February 2023. Any under or over delivery of efficiencies will be picked up by any budget variances (table 3 above). However, there can be off-setting variances which mean that it is unclear whether the efficiency has been delivered. Where this is the case, this will be highlighted. The forecast at the end of Quarter Two was a net overachievement of £1.457million. The current forecast at the end of Quarter Three is a net overachievement of £1.367million. The decrease of £90k relates to;

- £74k reduction in the forecast interest income from investment of surplus cash balances being greater than identified in the efficiency proposal, which was based on the Investment Strategy 2023 - 2033, as highlighted and explained in table three above.
- £7k reduction in the £9k efficiency originally anticipated from the opening of Bancroft Kiosk (included in the other minor variances total in table 3). The shortfall is attributed to a combination of bad weather over the summer impacting turnover, particularly at weekends, and teething issues associated with the first year of operation.

- The additional £9k efficiency from a full year of letting Thomas Bellamy house will not be achieved (included in the other minor variances total in table 3). Officers are currently working on identifying the costs of getting the property into shape for a new letting. Options will then be considered once this is complete.

8.4. The working budget for 2023/24 includes budgets totalling £1.107million 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 2022/23 but was delayed into 2023/24. At Quarter Two, it was forecast that £228k of the budget carried forward will not be spent in this year. At Quarter Three it is forecast that £532k will not be spent in this year. The increase of £304k relates to budgets carried forward for:

- Housing Stock Condition Survey. £15k of the £20k budget carried forward will not be spent this year and has been requested to be carried forward again, as explained in the budget monitoring review at the end of November (Month 8) included in the Revenue Budget 2024/25 report.
- Supplementary planning documents supporting the Local Plan. A total of £130k (£80k forecast at Quarter Two plus £50k forecast at Month 8) of the £167k carry forward budget is forecast to be unspent and has been requested to be carried forward again, as explained in the Month 8 budget monitoring review.
- Town Centre Strategy Reviews. A total of £50k (£10k forecast at Quarter Two plus £40k forecast at Month 8) of the £80k budget carried forward will not be spent in this year and has been requested to be carried forward again, as explained in the Month 8 budget monitoring review.
- Local Plan post adoption review. £20k of the £28k budget carried forward will not be spent in this year and has been requested to be carried forward again, as explained in the budget monitoring review included in the revenue budget 2024/25 report.
- Transport User Forum. As explained in table 3 above, the £46k budget carried forward will not be spent on Forum activities in this year, with £40k reallocated to fund consultants required in relation to the Luton Airport expansion and the remaining £6k requested to be carried forward again.
- Staffing pressures. Of the £300k carried forward from 2022/23 a total of £133k will not be spent in 2023/24 and is requested to be carried forward. This is comprised of the estimated £78k cost of the temporary additional Service Director capacity and £20k cost of the additional elections support falling in next year, as well as a contract liability of £35k remaining for the higher-level apprentice, as noted in table 3 above.

8.5. Six corporate 'financial health' indicators have been identified in relation to key sources of income for the Council in 2023/24. Table 4 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 they are forecast to match or exceed the budgeted level of income. An amber indicator means that there is a risk that they will not meet the budgeted level of income. A red indicator means that they will not meet the budgeted level of income.

8.6. At the end of Quarter Two, two of the indicators were green, one indicator was amber, and three of the indicators were red. At the end of Quarter Three, two of the indicators are green and four are red. In respect of the red indicators for Leisure management fee income and car parking fees, provision amounts of £80k for Leisure and £100k for parking fees were included in the budget at the start of the year to recognise that variances in these income streams were more likely due to the ongoing recovery following the Covid-19 pandemic.






- 8.7. The status of income from planning applications has changed from amber at Quarter Two to red at Quarter Three. A £150k shortfall in income from planning applications in 2023/24 was identified and explained in the revenue monitoring included in the Revenue Budget 2024/25 report.
- 8.8. The projected outturns for both planning income and garden waste service income are lower than the actual income recorded to date because the projections include the estimated impact of the accounting adjustments required at the end of the financial year. The final planning income total will capture only those fees received from applications resolved during 2023/24, while the waste income total will only reflect the proportion (around one third) of garden waste income receipts received in this year for the current 18-month garden waste subscription period for collections provided in this financial year.

Table 4 - Corporate financial health indicators

Indicator	Status	Original Budget £k	Actual to Date £k	Projected Outturn £k	Variance £k
Leisure Centres Management Fee Income	Red	(599)	(518)	(533)	66
Garden Waste Collection Service Subscriptions	Green	(1,140)	(1,917)	(1,140)	0
Commercial Refuse & Recycling Service Income	Red	(1,269)	(968)	(1,245)	24
Planning Application Fees (including fees for pre-application advice)	Red	(1,008)	(1,114)	(858)	150
Car Parking Fees	Red	(2,026)	(1,347)	(1,870)	156
Parking Penalty Charge Notices (PCNs)	Green	(573)	(542)	(743)	(170)

- 8.9. Table 5 below indicates current activity levels, where these drive financial performance, and how these compare to the prior year to indicate the direction of current trends. As performance against the planning applications fee income budget is generally determined by the number of large applications resolved in the year (rather than the total number of applications received), and this distinction is not captured in the data available, this indicator is omitted from table 5.

Table 5 - Corporate financial health indicators – activity drivers

Indicator	Activity Measure	Performance to Q3 2023/24	Performance to Q3 2022/23	Percentage Movement	Direction of Trend
Leisure Centres Management Fee	Number of Leisure Centre visits	1,199,889	1,083,908	+10.7%	
Garden Waste Collection Service	Number of bin subscriptions at end of quarter	30,413	27,920	+8.9%	
Commercial Refuse & Recycling Service	Number of customers	1,035	1,013	+2.2%	
Car Parking Fees	Car park tickets sold / average ticket price sold	861,959 / £1.70	855,931 / £1.63	+0.7% / +4.3%	
Parking Penalty Charge Notices	Number of PCNs issued	11,510	10,202	+12.8%	

FUNDING, RISK AND GENERAL FUND BALANCE

- 8.10. The Council's revenue budget is funded primarily from Council Tax and Retained Business Rates income. The Council was notified by Central Government in February 2023 of the amount of New Homes Bonus and Services Grant it could expect to receive in 2023/24 and planned accordingly.
- 8.11. 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. The Council will receive in this year its share of the Council Tax and Business Rates Collection Fund surpluses for the prior year, as estimated in January 2023. As reported previously, this means contributions to the General Fund of £138k from the Council Tax Collection Fund and £452k from the Business Rates Collection Fund. While the Council Tax surplus amount of £138k is included in the funding total in table 7, the business rates surplus will be transferred to reserve and used to mitigate the impact of deficits recorded, and/or changes to the rates retention scheme, in future years.
- 8.12. The Council's share of the Council Tax Collection Fund is forecast to be a deficit balance of £24k at the end of the year. A contribution of £24k will be transferred from the General Fund to the Collection Fund in the next financial year and this will therefore reduce the amount of Council Tax funding available in 2024/25, as was shown in Appendix C to the Revenue Budget 2024/25 report. Any difference between this forecast and the actual position recorded at the end of the financial year will affect the calculation of the surplus / deficit position for 2024/25 and therefore impact the level of Council Tax funding available in 2025/26.
- 8.13. The current forecast for the Council's share of the Business Rates Collection Fund at the end of the year, as declared in the NNDR1 return submitted to Government in January, is an overall surplus position of £416k. As explained previously, this is primarily due to the actual surplus recorded for 2022/23 being £1.276m higher than was estimated in January 2023. The in-year position is therefore a forecast deficit of £860k. The increase of around £500k in the forecast in-year deficit since the quarter 2 forecast deficit of £300k is due to an increase in the estimated cost of appeals calculated in January, with information received from the Valuation Office (VOA) indicating an increase in the number of challenges lodged with the VOA. Similar to the Council Tax Collection Fund, the surplus amount of £416k will be transferred to the General Fund in the next financial year and any difference with the final outturn for 2023/24 will affect the following financial year's calculated surplus / deficit position.
- 8.14. The Council must pay a business rates tariff to central government as its income from business rates is higher than the level of its assessed funding need, as determined by central government. For 2023/24, the tariff amount was set at £15.3million. However, with a new business rates revaluation effective from April 2023, the Government has sought to ensure that, as far as practicable, a local authority's retained business rates income is no more or no less than it would have been had the revaluation not taken place, as the outcome of the revaluation and the consequent impact on rates income is outside of the Council's control. This is to be achieved through adjusting the tariff amount payable to government. For North Herts Council, this adjustment was confirmed as a £245k reduction in tariff in the Local Government Finance Settlement for 2024/25. While the cash benefit to the Council will materialise in 2024/25, with the government reducing the tariff payment schedule amounts in 2024/25, the required accounting for the reconciliation adjustment in 2023/24 means that the tariff amount chargeable to the Council's General Fund in 2023/24 will be £245k less than the tariff amount notified in the Local Government Finance Settlement in February 2023. This will reduce the amount of grant held in reserve needed to be transferred to the General Fund at the close of the year.

- 8.15. The Council is also subject to a business rates levy from Central Government as it collects more in business rates than the baseline level determined by Central Government. The current forecast for 2023/24 is a business rates levy liability of around £800k at the end of the financial year. The final amount payable however will depend on the actual level of business rates income collected during the year. In any case, the business rates levy payable for 2023/24 will be funded from grant held in reserve and as such will have a net zero impact on the General Fund balance at the end of the year.
- 8.16. The Council 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. The final amount of grant the Council can retain depends on the actual level of reliefs applied during the year. The Council currently expects to retain a grant total of £4.659m for reliefs in 2023/24, which includes an amount of £482k received as compensation for the Government's previous decisions to cap the increases in the business rates multiplier. The multiplier compensation is included in the funding total in table 6 below. The rest of the grant received is held in reserve. Some of the amount held in reserve will be used to fund the business rates levy payable for this year, while a further amount of around £2million will be used to top up the business rates income charged to the General Fund in 2023/24 to the baseline funding amount anticipated when the budget was set. In addition, as shown in table 7 below, there is the planned release of £1.144million from the reserve to the General Fund in 2023/24 to bridge the funding gap anticipated when the budget was set, as explained originally in the MTFs 2023-2033.
- 8.17. The Council does not expect to receive non-ringfenced emergency grant funding from government in 2023/24 to help mitigate the ongoing financial impacts of the Covid-19 pandemic. As detailed in the 2023/24 Revenue Budget Report presented to Full Council in February, a central provision of £450k was included in the budget for 2023/24. As detailed in the monitoring reports at Quarter One and Quarter Two, the forecast financial impact in this year is £479k, exceeding the provision made in the budget by £29k.
- 8.18. Table 6 below summarises the impact on the General Fund balance of the position at Quarter Two detailed in this report.

Table 6 – General Fund impact

	Working Budget	Projected Outturn	Difference
	£k	£k	£k
Brought Forward balance (1st April 2023)	(11,990)	(11,990)	-
Net Expenditure	17,103	16,688	(415)
Funding (Council Tax, Business Rates, NHB, Services Grant)	(17,394)	(17,394)	0
Funding from Reserves (including Business Rate Relief Grant)	(1,144)	(1,144)	0
Carried Forward balance (31st March 2024)	(13,425)	(13,840)	(415)

- 8.19. 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 £1,215k, and at the end of the third quarter a total of £427k has come to fruition. The identified risk realised in the third quarter relates to:

- Legal costs in relation to Environmental Health enforcement (included in other minor variances on table 3) - £19k.

Table 7– Known financial risks.

	£'000
Original allowance for known financial risks	1,215
Known financial risks realised in Quarter 1	(34)
Known financial risks realised in Quarter 2	(374)
Known financial risks realised in Quarter 3	(19)
Remaining allowance for known financial risks	788

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, 5.7.8 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 recommendations contained within this report are to comply with the council’s financial regulations with attention drawn to significant budget variances as part of good financial planning to ensure the council remains financially viable over the current fiscal year and into the future. Local authorities are required by law to set a balanced budget for each financial year. During the year, there is an ongoing responsibility to monitor spending and ensure the finances continue to be sound. This means there must be frequent reviews of spending and obligation trends so that timely intervention can be made ensuring the annual budgeting targets are met.

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.

11. RISK IMPLICATIONS

- 11.1. Good Risk Management supports and enhances the decision-making process, increasing the likelihood of the Council meeting its objectives and enabling it to respond quickly and effectively to change. When taking decisions, risks and opportunities must be considered.
- 11.2. 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.