

<b>Item No</b>	<b>Referred from:</b>	<b>Finance, Audit and Risk Committee</b>
<b>6F</b>	<b>Date:</b>	<b>8 January 2025</b>
	<b>Title of item:</b>	<b>Second Quarter Revenue Budget Monitoring 2024-25</b>
<b>To be considered alongside agenda item:</b>		<b>Agenda Item 16</b>

The report considered by Finance, Audit and Risk Committee at the meeting held on 8 January 2025 can be viewed here: [Agenda for Finance, Audit and Risk Committee on Wednesday, 8th January, 2025, 7.30 pm | North Herts Council](#)

**RECOMMENDED TO CABINET:** The Finance, Audit and Risk Committee commented on the recommendations to Cabinet, which are:

- (1) That Cabinet note this report.
- (2) That Cabinet approves the changes to the 2024/25 General Fund budget, as identified in table 3 and paragraph 8.2, a £550k decrease in net expenditure.
- (3) That Cabinet notes the changes to the 2025/26 General Fund budget, as identified in table 3 and paragraph 8.2, a total £306k increase in net expenditure. These will be incorporated in the draft revenue budget for 2025/26.
- (4) That Cabinet approve the debt write-offs detailed in paragraphs 8.16 and 8.17.

**REASON FOR REFERRAL:** 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 – 1 hour 27 minutes 12 seconds*

The Service Director – Resources presented the report entitled ‘Second Quarter Revenue Budget Monitoring 2024/25’ and highlighted that:

- The report provided a background on the budget throughout the year.
- Variances for the year and the implications of these were outlined at 8.1 of the report and explanations had been provided where over £25k.
- Overall, the report highlighted that there was a net reduction in spend of £550k, however £317k of carry forwards were requested.
- The report provided detail on the process of monitoring the savings which were due to be delivered and outlined how well these were being achieved.
- Financial health indicators in relation to income were provided at 8.6 and 8.7 of the report.
- Minimum reserve levels depend on the risk assessments completed and the accuracy of these. If the number was negative, then the assessment had not been completed well enough, but if it remained positive then a prudent assessment had been made.
- The debt write-offs and reasons for these were included at 8.16 and 8.17 of the report.

In response to questions from Councillor Ruth Brown, the Service Director – Resources advised that:

- It would be difficult to advise on acceptable limits on underspend, the most important part was the explanations provided and ensuring that the reasons given for underspend were understood.
- Any issues with carry forwards related to grant funds would be flagged by Officers to ensure that it was highlighted where this could not be taken forward and needed to be spent.

As part of the debate, Councillor Sean Nolan noted that a number of the carried over funds and reduction in spend related to staffing issues, which had been identified as a risk. Whilst on paper a reduction in spend is good, it was not good for provision of services in the long term.

Councillor Ruth Brown noted that it was disappointing when projects were delayed but it could not be helped as issues were generally down to resourcing.

Councillor Vijaiya Poopalasingham proposed and Councillor Ruth Brown seconded and, following a vote, it was:

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