

Item No	Referred from:	Finance, Audit and Risk Committee
6G	Date:	12 March 2025
	Title of item:	Third Quarter Revenue Budget Monitoring 2024/25
To be considered alongside agenda item:		Agenda Item 14

The report considered by Finance, Audit and Risk Committee at the meeting held on 12 March 2025 can be viewed here: [Agenda for Finance, Audit and Risk Committee on Wednesday, 12th March, 2025, 7.30 pm | North Herts Council](#)

RECOMMENDED TO CABINET: That Finance, Audit and Risk comments on the assumptions and information contained within this report, in the context that Cabinet agrees that:

- (1) That Cabinet note this report.
- (2) That Cabinet approve the changes to the 2024/25 General Fund budget, as identified in table 3 and paragraph 8.2, a £840k decrease in net expenditure.
- (3) That Cabinet approve the changes to the 2025/26 General Fund budget, as identified in table 3 and paragraph 8.2, a total £807k increase in net expenditure.

REASON FOR RECOMMENDATIONS: Members are able to monitor, make adjustments within the overall budgetary framework and request appropriate action of Services who did not meet the budget targets set as part of the Corporate Business Planning process.

Audio Recording – 49 minutes 50 seconds

The Service Director – Resources presented the report entitled 'Third Quarter Revenue Budget Monitoring 2024/25' and highlighted the following:

- Table 3 of the report highlighted changes and carry forward, indicating the predicted spends on these areas would not be achieved this year. However, money would still, in the main, be spent the following year and therefore there would be no net improvement.
- The final column of Table 3 showed the ongoing impact of any over and underspend, showing an increase in planned spend for next year of £76,000. Reasons show for over or underspend were included and although this level of overspend was concerning, it was not at a level the Council needed to take drastic action.
- Paragraph 8.4 of the report referred to carry forward from the previous year. Some of these were ongoing underspends due to lack of capacity or outside factors meaning works had not been achieved yet.
- The Corporate Financial Health Indicators were shown numerically in Table 4 of the report and then further context to these included at Table 5 of the report.
- The General Fund showed a £840k increase due to a lower net expenditure, most of which was carry forward to next year.
- The report also monitored financial risk and as this was towards the end of the year, most risks would now have been realised if they were going to happen, but it was still important to be aware of them despite it being less likely to encounter a risk.

The following Members asked questions:

- Councillor Sam Collins
- Councillor Ruth Brown
- Councillor Paul Ward
- Independent Member John Cannon

In response to questions, the Service Director – Resources advised that:

- The underspend seen within the apprentice scheme included those apprentices remaining within the Council and finding other roles before the end of their apprenticeship. The Council currently had 10 apprentices, which was above the ongoing budget of 8.
- In terms of the general staffing issues, this was resulting in the Council not undertaking or postponing work which resulted in carry forward of budgets.
- Staffing gaps were an issue experienced across local authorities, with specific issues in certain difficult to recruit areas, such as planning or legal.
- Some of the cause may be due to pay levels, the Council had been using an LGA tool to benchmark pay against other authorities and was working on interpreting the data.
- The latest Staff Survey showed that most staff found the Council a good place to work and would recommend the Council as a place to work to others. However, in some cases, it was proving challenging to replace staff when they did decide to leave.
- The Council would continue to work on recruitment, including around non-pay benefits and the advertising of roles.
- While recruitment is challenging project prioritisation was important.
- The Council were competing with the private sector, which had bigger resources and therefore could pay more. In response to this, the Council was working on growing talent in house, through career graded positions.
- There had previously been trends with the number of burials going down and then up again. At this stage, the Council were observing current trends rather than reflecting to the impact of ongoing reduced income too early.
- The budget for included additional resource to try to increase revenue from commercial refuse and recycling; however, it was about providing a service to businesses that covered costs, not making a substantial profit.
- Planning applicants pay a fee when submitting an application, however this can only be reflected as income when the application has been resolved. Therefore these were highlighted as funds that are coming, but were not yet available to the Council.

In response to questions, Councillor Ian Albert, as Executive Member for Finance and IT, advised that:

- The Council had a wonderful array of staff and improvements to recruitment and retention had been made through the introduction of flexible working policies, which allowed people to work from around the country and attracted talent from further away.
- The Corporate Peer Challenge was presented to the Overview and Scrutiny Committee and a key part of this was to develop a new HR Strategy, which would reflect the new priorities of the Council.

Councillor Vijaiya Poopalasingham proposed, and Councillor Stewart Willoughby seconded and, following a vote, it was:

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