

**CABINET**  
**11 JUNE 2019**

**\*PART 1 – PUBLIC DOCUMENT**

**TITLE OF REPORT: REVENUE BUDGET OUTTURN 2018/19**

REPORT OF: THE SERVICE DIRECTOR - RESOURCES

EXECUTIVE MEMBER: EXECUTIVE MEMBER FOR FINANCE AND IT

COUNCIL PRIORITY: RESPONSIVE AND EFFICIENT

**1. EXECUTIVE SUMMARY**

- 1.1 The purpose of this report is to inform Cabinet of the summary position on General Fund income and expenditure as at the end of the financial year 2018/19. The net outturn of £14.626m represents a **£555k decrease** from the working budget of £15.181million. There are corresponding requests to carry forward **£474k** (of underspends) to fund specific projects that will now take place in 2019/20. There is a further forecast impact on the 2019/20 base budget of a **£7k decrease**. Within these summary totals there are several budget areas with more significant variances, which are detailed and explained in table 3. The report also provides an update on;
- the delivery of planned efficiencies (paragraph 8.3)
  - the use of budget approved to be carried forward from 2017/18 (table 4)
  - performance against the four key corporate 'financial health' indicators (paras 8.6-8.10)
  - confirmation of the funding position as the end of 2018/19 (table 6)
  - details of earmarked reserves movements and balances (table 8)

**2. RECOMMENDATIONS**

- 2.1 That Cabinet notes this report.
- 2.2 That Cabinet approves a decrease of £555k in the 2018/19 net General Fund expenditure, as identified in table 3 and paragraph 8.1, to a total of £14.626million.
- 2.3 That Cabinet approves the adjustments to the 2019/20 General Fund budget, as identified in table 3 and paragraph 8.2, a £467k increase in net expenditure.
- 2.4 That, as referred to in paragraph 8.3, Cabinet approves the transfer of £48k from the underspend on the General Fund to the Strategic Priority fund to enable the Senior Management Team to undertake invest to save and/or continuous improvement projects
- 2.5 That Cabinet recommend that Council approves the net transfer to earmarked reserves, as identified in table 8, of £1.504million.

### 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.
- 3.2 Changes to the Council's balances are monitored and approved.

### 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 This report contains a recommendation on a key decision that was first notified to the public in the Forward Plan on the 18<sup>th</sup> March 2019.

### 7. BACKGROUND

- 7.1. Council approved the revenue budget for 2018/19 of £14.747 million in February 2018. The working budget at financial year-end has increased to £15.181 million. Table 1 below details the approved changes to this budget to get to the current working budget:

**Table 1 - Current Working Budget**

	<b>£k</b>
Original approved budget for 2018/19	14,747
Quarter 3 2017/18 Revenue Monitoring report - 2018/19 budget changes approved by Cabinet (March 2018)	85
2017/18 Revenue Outturn Report - 2017/18 budget changes approved by Cabinet (June 2018)	346
Quarter 1 2018/19 Revenue Monitoring report - 2018/19 variances approved by Cabinet (July 2018)	30
Waste Collection Service in North Hertfordshire report – 2018/19 income implication from 3 month extension to payment period for green waste collection – approved by Council (November 2018)	85
Quarter 2 2018/19 Revenue Monitoring report – 2018/19 variances approved by Cabinet (December 2018)	(17)
Revenue monitoring included within 2019/20 budget report – 2018/19 variances approved by Cabinet (January 2019)	116
Quarter 3 2018/19 Revenue Monitoring report - 2018/19 variances approved by Cabinet (March 2019)	(211)
<b>Working budget at Financial Year End 2018/19</b>	<b>15,181</b>

- 7.2. The Council is managed under Service Directorates. Table 2 below confirms the current net direct resource allocation of each Service Directorate in 2018/19 and how this has changed from the allocations published in the quarter three monitoring report.

**Table 2 – Service Directorate Budget Allocations**

Service Directorate	Net Direct Working Budget at Q3	Forecast Variances approved at Q3	Budget Transfers in Q3	Current Net Direct Working Budget
	£k	£k	£k	£k
Chief Executive	1,525	13	168	1,706
Commercialisation	(510)	7	83	(420)
Customers	3,610	(5)	(57)	3,548
Legal & Community	2,035	(4)	(59)	1,972
Place	4,521	(257)	150	4,414
Regulatory Services	1,713	35	(228)	1,520
Resources	2,498	0	(57)	2,441
<b>TOTAL</b>	<b>15,392</b>	<b>(211)</b>	<b>0</b>	<b>15,181</b>

## 8. RELEVANT CONSIDERATIONS

### REVENUE INCOME AND EXPENDITURE FORECASTS

- 3.1 Cabinet are asked to approve the net expenditure on the General Fund in 2018/19 of £14.626million (recommendation 2.2). This is a net decrease of £555k on the working budget of £15.181million. Table 3 below highlights the most significant variances, which are generally more than £25k, and contains an explanation for each. The final columns detail if a carry forward into 2019/20 is requested and the estimated ongoing impact of any variances:

**Table 3 - Summary of significant variances**

Budget Area	Working Budget £k	Outturn £k	Variance £k	Reason for difference	Carry Forward Request £k	Estimated Impact on 2019/20 £k
Employee Costs - Apprenticeships	173	63	(110)	Unspent amount reflects the timing in year of appointments to apprenticeship posts. It is therefore requested to carry this budget forward to meet the remaining contract commitments. There is now a regular update to the Council's Senior Management Team and Apprentice recruitment is planned to coincide with Apprentice leavers, which should reduce variances going forward.	+110	0
Strategic Priorities Fund	52	0	(52)	A budget of £100k was approved for the Strategic Priorities Fund in 2018/19, of which a total of £48k was allocated to successful investment bids. It is requested that the remaining £52k goes towards a new allocation of £100k for 2019/20.	+52	0

Budget Area	Working Budget £k	Outturn £k	Variance £k	Reason for difference	Carry Forward Request £k	Estimated Impact on 2019/20 £k
Commercialisation Projects	94	9	(85)	It is expected that the recent appointment of a Commercial Projects manager will lead to the ongoing development of commercialisation opportunities. It is therefore requested that the remaining resource unspent in 2018/19 be carried forward into 2019/20 as this funding will be used for the up-front costs of exploiting these opportunities.	+85	0
Waste Minimisation Expenditure	76	+14	(62)	Unspent budget relates to projects earmarked for, but not completed, in 2018/19. £53k is requested to be carried forward to fund the purchase of food waste caddy liners that will now be distributed to residents as part of the new collection times being introduced in May. A further £6k is also required to install water fountains to encourage residents to avoid single use plastic bottles.	+59	0
Income from Activities at Hitchin Town Hall	(150)	(101)	+49	The under-achievement of income in 2018/19 is due to a combination of several factors. The Council has put in place various measures to address these factors over the course of the next financial year. The full opening of the museum should improve visibility and footfall. The capital investment allocated for improving the acoustics and the installation of a second bar should address some of the negative PR experienced. Similarly, recruitment to vacancies means that there is greater capacity to promote and facilitate a larger number of events.	0	0
<b>Housing Benefits</b>				The reduction in the net cost of Housing Benefits is attributed to the impact of Universal Credit (UC), which has significantly reduced the number of claimants (those affected will now be assessed under the DWP administered UC instead). This fall in claimants has reduced the gross level of housing benefit payments, with a consequent impact on the level of overpayments identified. The reduction in the level of overpayments raised this year has however helped to reduce the contribution required to the corresponding bad debt provision.		
Benefit Payments	+32,604	+32,381	(223)		0	(6,563)
Subsidy Grant	(32,159)	(32,010)	+59		0	+6,563
Overpayments Bad Debt Provision	+300	+233	(67)		0	0
Overpayments Income	(488)	(387)	+101		0	0
<b>Net Total</b>	<b>+257</b>	<b>+127</b>	<b>(130)</b>		<b>0</b>	<b>0</b>
Waste Services – Client Team Staffing	+43	0	-43	It was reported at Q2 that the staff restructure had delivered greater savings in 18/19 than estimated. At that point it was expected that this over-achievement would be absorbed by temporary staffing pressures associated	+43	0

Budget Area	Working Budget £k	Outturn £k	Variance £k	Reason for difference	Carry Forward Request £k	Estimated Impact on 2019/20 £k
				with the new waste contract. In the event the anticipated cost pressure did not materialise. There are however additional pressures expected in 2019/20, which will require additional staff and support. This will include consultancy work on a jointly provided commercial waste service; review of back office functions; and potential works required for the flats collection service. It is therefore requested that the unspent resource is carried forward to 2019/20.		
Waste Services – Contract Variation Orders	+164	+71	(93)	The anticipated volume of work outside of the core contract did not materialise through the first year of the contract. The budget will be reviewed in June to determine the required budget level.	0	0
Waste Services – Income from paper collected for recycling	(476)	(449)	+27	Shortfall in income achieved for 2018/19 is indicative of the continuing fall in paper tonnages collected. Tonnages in this year were 14% lower than the prior year. The ongoing impact is mitigated slightly by the full year effect of a small increase in the price per ton achieved following the retender of the contract.	0	+26
Planning Services – Planning Applications Income	-806	-521	+285	Reduction in planning application income recorded for 2018/19 is as a result of a change to the Council's accounting policy. This is a result of changes to the accounting standards that the Council is required to follow. In accordance with this, the Council will now only recognise income from those planning applications resolved in the year, with all other receipts received held as income in advance. The accounting adjustment required for 2018/19 reduced the level of income charged to the General Fund by £335k. This does not affect the actual cash that the Council will receive.	0	0

Budget Area	Working Budget £k	Outturn £k	Variance £k	Reason for difference	Carry Forward Request £k	Estimated Impact on 2019/20 £k
Parking Services – Car Park Season Ticket Income	(284)	(309)	(25)	Over-achievement of the income budget follows significantly higher than expected sales in the last two months of the financial year. While some increase in this period is expected, as some commuters seek to purchase tickets in advance of an anticipated April price increase, the number of season tickets sold in February and March 2019 was nearly 40% higher than the equivalent period in the prior year.	0	0
Council Property General Maintenance	179	128	(51)	This underspend is primarily due to delays to a number of planned projects and a carry forward of £51k in respect of these works is requested. This comprises £28k for the external redecoration of the main building at Hitchin Swimming Centre, which was delayed for better weather; £6k for the redecoration of Hitchin Museum, which was delayed due to identifying structural repairs; and £17k for the replacement of pump and controls at Hitchin Swim Centre, which it had not been possible to install to due manufacturing delays.	+51	0
Brexit Preparations	18	0	(18)	A carry forward is requested for the first instalment of the Central Government grant awarded for Brexit preparations. £500 has been spent to date on a Food Resilience work plan and the remainder of the grant will be used to fund specific costs relating to Brexit.	+18	0
Local Plan – Consultants Costs and Legal Fees	125	67	(58)	Expenditure is lower than anticipated as the Local Plan did not proceed to adoption during the financial year as originally anticipated. While the Inspector's proposed Main Modifications were published in November 2018 and the consultation began in January 2019, no further examination hearing days were held during 2018/19, which helped to limit the costs incurred. Council officers also completed some additional tasks associated with the examination in-house, which reduced the requirement for external consultant assistance. However, the costs associated with the anticipated completion of the examination and adoption of the Plan are expected to be incurred during 2019/20 and as such a carry forward is requested.	+58	0
<b>Total of explained variances</b>	<b>(535)</b>	<b>(901)</b>	<b>(366)</b>		<b>+475</b>	<b>+26</b>
Other minor balances	+15,716	+15,527	(162)		(1)	(33)
<b>Overall Total</b>	<b>+15,181</b>	<b>+14,626</b>	<b>(555)</b>		<b>+474</b>	<b>(7)</b>

- 3.2 Cabinet are asked to approve the estimated net impact on the 2019/20 budget, a **£467k increase** in budget (recommendation 2.3), which includes:
- **£474k** of budget carry-forwards from 2018/19 to 2019/20 for projects that were not completed by the end of the financial year. These are shown in the penultimate column of table 3 above. This will take the total carry-forward to £689k (i.e. including those reported and approved at quarter 2, month 8 and quarter 3).
  - **£7k** decrease in budget to reflect the estimated ongoing net impact in 2019/20 of variances identified in Q4. These are shown in the final column of table 3 above.
- 3.3 Cabinet are asked to approve the transfer of £48k from the underspend in 2018/19 into the Strategic Priorities Fund in the following year (recommendation 2.4). Along with the Strategic Priorities Fund carry forward of £52k requested, this will bring the total amount in the fund next year to £100k. The fund provides the Council's Senior Management Team with authority to approve the allocation of the funds during the year for invest to save or continuous improvement projects as the opportunity arises.
- 3.4 The original approved budget for 2018/19 (and therefore working budget) included efficiencies totalling £2,706k, which were agreed by Council in February 2018. Progress in delivering the efficiencies identified has been monitored throughout the year and reported at each quarter. The efficiency total has been overachieved in the year by £166k, which is the same as the forecast overachievement reported at quarter 3. This total excludes the accounting adjustment for planning income detailed in table 3.
- 3.5 The working budget for 2018/19 included budgets totalling £515k 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 2017/18 but was delayed into 2018/19. At the end of the year a total of £307k of the budget carried forward has not been spent in 2018/19, as detailed in Table 4 below, of which £295k has been requested to be carried forward into 2019/20.

**Table 4 – Unspent Carry Forward Budget in 2018/19**

Monitoring Report	Carry Forward Budget in 18/19 (£k)	Project	Underspend reported (£k)
Q2	87	Potential implementation of a Community Infrastructure Levy	87
Month 8	60	Area Committee Grants	9
Q3	55	Parking Services Lines and Signs Maintenance	39
Q3	18	Economic Development Officer post	10
Q3	13	Herts Warmer Home Project	13
Q3	12	Review of Housing Strategy	12
<b>Outturn</b>	100	Strategic Priorities Fund (SPF); £48k of the £100k funding available was allocated to successful bids in 2018/19 with the remaining £52k requested to be carried forward into 2019/20 (as highlighted in table 3 above).	52
<b>Outturn</b>	95	Commercialisation project; £9k of this £94k carry forward budget has been spent in 2018/19, with the remainder requested to be carried forward into 2019/20 (as highlighted in table 3 above).	85
<b>Total Underspend 2018/19</b>			<b>307</b>

- 3.6 There are 4 key corporate 'financial health' indicators identified in relation to key sources of income for the Council. Table 5 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 income recorded matched or exceeded the budgeted level of income. A red indicator means that the outturn has not met the budgeted level of income. An amber indicator is only used during the year to highlight that there is a risk that the budgeted level of income may not be met.
- 3.7 At the end of the year, one indicator is green and three indicators are red.
- 3.8 Having been flagged as amber at quarter 1, the red indicator in relation to car parking fees was highlighted within the revenue monitoring report at quarter 2. This relates to measures to generate additional parking fee income anticipated from the Parking Strategy review, which have not been implemented.
- 3.9 The red indicator in relation to land charges income was also highlighted within the revenue monitoring report at quarter 2. The number of searches requested to be undertaken by the authority has reduced in comparison to the prior financial year.
- 3.10 The red indicator in relation to income from planning applications was highlighted within the revenue monitoring report at quarter 3, with a lower number of applications received in the second half of the year. The actual income figure for the year has also been affected by the change in accounting policy relating to the recognition of the planning income (as detailed in table 3 above), with the relevant accounting adjustments reducing the income total charged to the General Fund for 2018/19 by £335k.

**Table 5 - Corporate financial health indicators**

Indicator	Status	Original Budget £k	Actual income for the year £k	Variance £k
Planning Application Fees (including fees for pre-application advice)	Red	(940)	(522)	419
Land Charges	Red	(174)	(145)	30
Car Parking Fees	Red	(1,906)	(1,867)	39
Parking Penalty Charge Notices	Green	(532)	(535)	(3)

## **FUNDING, RISK AND GENERAL FUND BALANCE**

- 3.11 The Council's revenue budget is funded from the following main sources; Council Tax, New Homes Bonus and Retained Business Rates income. The Council was notified by Central Government in February 2018 of the amount of New Homes Bonus it could expect to receive in 2018/19 and planned accordingly.
- 3.12 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. At the end of 2018/19 there is a surplus on the NHDC share of the Council Tax Collection Fund of £279k and a deficit on the Business Rates Collection Fund of £604k.



- 3.13 The Central Government return submitted in January 2019 estimated a Business Rates Collection Fund deficit for 2018/19 of £58k. The contribution to the Collection Fund required in 2019/20 in respect of the deficit for 2018/19 is based on this January estimate. The £546k difference between the actual deficit of £604k and the January estimate of £58k will be included in the calculation of the estimated surplus/deficit for 2019/20 (submitted to Central Government in January 2020), and hence will affect the calculation of the Council's retained business rates income for 2020/21.
- 3.14 The Council also receives compensation in the form of a grant from Central Government for business rate reliefs introduced, which goes in to our funds rather than the Collection Fund. We are holding this amount in a reserve to fund the repayment of deficits recorded in future years. Some of the amount held in reserve will therefore be used in the next financial year to fund the repayment of the £58k deficit highlighted above.
- 3.15 The Council is also subject to a business rates levy from Central Government as NHDC collects more in business rates than the baseline need determined by Central Government. In 2018/19 the Council was a member of the Hertfordshire Business Rates Pool, with the expectation that this would reduce the levy amount required. This has proved to be the case, with the Council benefiting from a pooling gain of £368k in the form of a reduced levy contribution, with the calculated levy for 2018/19 reduced from a total of £528k to £160k. The pooling gain has been retained in the reserve. Current forecasts suggest that the pooling gain amount could be released to fund General Fund expenditure.
- 3.16 The Ministry for Housing, Communities and Local Government announced in the provisional Local Government Finance Settlement for 2019/20 in December 2018 that their Business Rates levy account, from which safety net payments are made to eligible authorities, was in a surplus position of £195million and that £185million of the surplus would be distributed to local authorities. The published schedule of provisional allocated amounts, which included £41k for NHDC, was headed as 'Levy account surplus allocations for 2019 to 2020'. When the final settlement was published on January 29 2019, however, the equivalent schedule was headed 'Levy account surplus final allocations for 2018 to 2019'. As such the additional £41k income, received in March 2019, has been charged to the General Fund in 2018/19 and explains the increase in the funding total in table 6 below.
- 3.17 Table 6 below summarises the impact on the general fund balance of the outturn position detailed in this report. It should however be noted at this point that the Statement of Accounts is yet to be audited and changes to the General Fund balance may arise as a result of the final accounts audit.

**Table 6 – General Fund impact**

	<b>Working Budget £k</b>	<b>Outturn £k</b>	<b>Difference £k</b>
<b>Brought Forward balance (1<sup>st</sup> April 2018)</b>	<b>(7,403)</b>	<b>(7,403)</b>	<b>-</b>
Net Expenditure	15,181	14,626	(555)
Funding (Council Tax, Business Rates, RSG)	(15,044)	(15,085)	(41)
Contribution to Collection Fund	656	656	0
Funding from Reserves (including Business Rate Relief Grant)	(656)	(656)	0
<b>Carried Forward balance (31<sup>st</sup> March 2019)</b>	<b>(7,266)</b>	<b>(7,862)</b>	<b>(596)</b>

3.18 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 £1,424k, and at the end of the year a total of £853k have come to fruition. The two identified risks realised in the final quarter relate to;

- Hitchin Town Hall income (as highlighted in table 3). £49k
- Increase in the net cost of recycling services (paper income variance highlighted in table 3 with other offsetting variances included in the 'other minor variances' total in table 3). £17k

**Table 7 – Known financial risks**

	£'000
<b>Original allowance for known financial risks</b>	<b>1,424</b>
Known financial risks realised in Quarter 1	(243)
Known financial risks realised in Quarter 2	(466)
Known financial risks realised in Quarter 3	(77)
Known financial risks realised in Quarter 4	(66)
<b>Remaining allowance for known financial risks</b>	<b>571</b>

## **EARMARKED RESERVES**

3.19 The Council has a number of earmarked reserves, which can be used to fund revenue expenditure. These are detailed in Table 8 below. A total of £2.892million has been contributed to the reserves in 2018/19 and a total of £1.388million has been used to fund expenditure.

3.20 Cabinet are asked to recommend to Council that the net contribution to reserves of £1.504million be approved (recommendation 2.5), which leaves a total balance in earmarked reserves at 31 March 2019 of £7.183million.

**Table 8 – Earmarked Reserves**

	Balance at 1 April 2018	Contributions to reserve	Transfers out to fund expenditure	Balance at 31 March 2019
	£'000	£'000	£'000	£'000
Cemetery Mausoleum Reserve	140	21	0	161
Childrens Services Reserve	8	0	(1)	7
Climate Change Grant Reserve	30	0	(2)	28
Community Development Reserve	1	0	(1)	0
Community Right to Challenge Reserve	45	0	0	45
MHCLG Grants Reserve	868	1,763	(817)	1,814
DWP Additional Grants Reserve	129	117	(56)	190
Environmental Warranty Reserve	209	0	0	209

	Balance at 1 April 2018	Contributions to reserve	Transfers out to fund expenditure	Balance at 31 March 2019
	£'000	£'000	£'000	£'000
Growth Area Fund Reserve	53	0	0	53
Homelessness Grants Reserve	203	204	(145)	262
Housing & Planning Delivery Reserve	768	387	(13)	1,142
Information Technology Reserve	82	0	0	82
Insurance Reserve	34	0	0	34
Land Charges Reserve	104	0	(10)	94
Leisure Management Maintenance Reserve	47	0	0	47
Museum Exhibits Reserve	12	0	0	12
Neighbourhood Plan Reserve	41	0	0	41
Office Move IT Works	7	0	0	7
Paintings Conservation Reserve	11	0	0	11
Property Maintenance Reserve	62	10	0	72
S106 Monitoring Reserve	53	0	(17)	36
Special Reserve	1,720	0	(325)	1,395
Street Furniture	17	4	0	21
Street Name Plates	16	0	0	16
Syrian Refugee Project	87	28	0	115
Taxi Licences Reserve	13	0	0	13
Town Centre Maintenance	38	8	(1)	45
Traffic Regulation Orders	296	51	0	347
Waste Reserve	585	46	0	631
Waste Vehicles Reserve	0	253	0	253
<b>Total Revenue Reserves</b>	<b>5,679</b>	<b>2,892</b>	<b>(1,388)</b>	<b>7,183</b>

## 9. LEGAL IMPLICATIONS

- 1.2 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 5.6.8 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.
- 1.3 The Accounts and Audit Regulations 2015 require that the Annual Statement of Accounts be approved and published by the deadline date of 31 July 2018. Members are reminded of the duty to set a balanced budget and to maintain a prudent level of reserves.

## 2. FINANCIAL IMPLICATIONS

- 2.1 Members have been advised of any variations from the budgets in the body of this report and of any action taken by officers.
- 2.2 The general fund balance of £7.862million (table 6) meets the recommended minimum balance of General Fund reserves agreed when the budget was set. The Statement of Accounts is however yet to be audited and changes to the General Fund balance may arise as a result of the final audit. As the Housing Benefit claim is also yet to be audited, the relevant values included in the reported outturn are based on un-audited figures.

### **3. RISK IMPLICATIONS**

- 3.1 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 an unplanned overspend of the overall Council budget.

### **4. EQUALITIES IMPLICATIONS**

- 4.1 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.
- 4.2 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.

### **5. SOCIAL VALUE IMPLICATIONS**

- 5.1 The Social Value Act and “go local” policy do not apply to this report.

### **6. HUMAN RESOURCE IMPLICATIONS**

- 6.1 Although there are no direct human resource implications at this stage, care is taken to ensure that where efficiency proposals or service reviews may effect staff, appropriate communication and consultation is provided in line with HR policy.

### **7. APPENDICES**

- 7.1 None.

### **8. CONTACT OFFICERS**

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