**POLICY AND RESOURCES COMMITTEE**

**10 MARCH 2025**

PART I

# BUDGET MONITORING REPORT TO 31 JANUARY 2025 (DIRECTOR OF FINANCE)

## Budget Monitoring Summary

1.1 Budget monitoring report is a key tool in scrutinising the Council's financial performance and is designed to provide an overview to all relevant stakeholders. It is essential that the council monitors its budgets throughout the year to ensure that it is meeting its strategic objectives within its resource limits and, where necessary, corrective action is taken. A key principle of budgetary control is to align the budget holders' financial responsibilities and their management responsibilities.

1.2 This report shows the expected financial position over the three year medium term based on the Council's actual financial performance at the end of period 10 (31 January 2025) set against the latest budget.

1.3 **Revenue Summary**

1.3.1 The Forecast reported as at Period 8 was £14.388m. This was a variation to budget of (£0.048m). The forecast year end position for 2024/25 at Period 10 is estimated to be £14.164m giving a favourable variance of (£0.224m).

1.3.2 The table below shows how the forecast year end position has been constructed:

| Revenue Budget 2024/25 | £000 |
|---|---|
| **Original Net Revenue Budget** | **14,159** |
| Carry Forward from 2023/24 (Year end report July 2024) | 277 |
| Original Budget Plus Carry Forwards from 2023/24 | **14,436** |
| Variances previously reported | **(48)** |
| Previous Forecast | **14,388** |
| Variances to budget reported at Period 10 (*to be noted)* | **(224)** |
| **Forecast Total Net Expenditure 2024/25** | **14.164** |

1.3.3 The main variances are shown in the table below:

| Committee | 2024/25 Revenue Account - General Fund Summary | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | (C) | (A) | | (B) | (B-A) | (B-C) |
| | Original Budget | Original Budget Plus 2023/24 Carry Forwards | Latest Budget | Previous Forecast | Net Spend to Date | Latest Forecast | Supplimentary Estimates and Variances | Variation to Latest Budget |
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| General Public Services, Community Safety & Infrastructure | 4,481 | 4,535 | 4,850 | 5,303 | 3,673 | 5,174 | (129) | 324 |
| Climate Change, Leisure & Housing | 1,952 | 2,033 | 1,883 | 1,967 | (912) | 1,826 | (140) | (57) |
| Policy & Resources | 5,270 | 5,411 | 5,533 | 5,753 | 8,997 | 5,798 | 45 | 265 |
| **Total Service Budgets** | **11,703** | **11,980** | **12,266** | **13,022** | **11,759** | **12,798** | **(224)** | **532** |
| Corporate Costs (Interest Earned/Paid) and Parish Precepts | 2,456 | 2,456 | 2,406 | 1,366 | 1,472 | 1,366 | 0 | (1,040) |
| **Net General Fund** | **14,159** | **14,436** | **14,673** | **14,388** | **13,231** | **14,165** | **(224)** | **(508)** |

**1.3.4** The significant supplementary estimates and variances above include inflationary increases in contracts, increases in NNDR, professional fees for planning appeals and applications and Interest on Investments due to continued high interest rates.

1.4 **Capital Summary**

1.4.1 The latest approved budget for 2024/25 is £20.158m. The forecast Year end position for 2024/25 is now estimated to be £19.894m, which results in a service variation of (£0.264m)

1.4.2 The table below shows how the forecast Year end position has been constructed:

| Capital Investment Programme 2024/25 | £000 |
|---|---|
| **Original Budget** | **5,377** |
| Rephasing from 2023/24 | 7,527 |
| Variances Previously Approved | 7,254 |
| **Previous Forecast** | **20,158** |
| Variances to budget reported at Period 10 (*to be approved)* | (264) |
| **Forecast Capital Expenditure 2024/25** | **19,894** |

1.4.3 The forecast variances to agreed budget are shown in the table below:

| Description | £000 |
|---|---|
| **Waste and Recycling Vehicles**<br>Rephased from 2024/25 into 2025/26 to support further vehicle purchases | (75) |
| **Leavesden Country Park**<br>Use of S106 monies required for Leavesden Country Park entrance as approved at P&R on 11 November 2024 | 45 |
| **Replacement Grounds Maintenance Vehicles**<br>Rephase from 2024/25 into 2025/26 for vehicle purchases | (157) |
| **Property Investment Board**<br>Budget required for the purchase of the Red Cross Centre in Barton Way and the abortive costs at Summerhouse Way | 47 |
| **Transport & Infrastructure**<br>Rephased from 2024/25 into 2025/26 for projects to be delivered in 2025/26 | (100) |
| **Cemetery – Whole Life Costing**<br>Rephased from 2024/25 into 2025/26 for works at Woodcock Hill in Spring 2025 | (7) |
| **Basing House – Whole Life Coting**<br>Rephase from 2024/25 into 2025/26 as fire door inspection scheduled work unlikely to happen this financial year | (8) |
| **Others** | (9) |

| Total Capital Variance | 264 |
|---|---|

**Reserves Summary**

1.4.4 The potential effect of both the revenue and capital variances upon on each reserve at summary level is shown in the table below. A list of reserve balances is shown at Appendix 7.

| Description | Balance at 1 April 2024 £000 | Movement £000 | Balance at 31 March 2025 £000 |
|---|---|---|---|
| Capital Reserves | (15,249) | (1,581) | (16,830) |
| Earmarked Reserves | (20,417) | (1,115) | (21,532) |
| Economic Impact Reserve | (1,530) | 147 | (1,383) |
| General Fund | (5,027) | 320 | (4,707) |
| **Total** | **(42,223)** | **(2,228)** | **(44,452)** |

**Details**

2.1 **Revenue Budget**

2.1.1 The Council's latest approved services budget (excluding corporate budgets) is £12.266m, the previous Forecast was £13.022m. The Forecast year end position is now estimated to be £12.798m which results in a favourable service variance of (£0.224m).

2.1.2 The table below shows the supplementary estimates and variances to be managed against each Committee. The position of each cost centre and an explanation of the main variances for each committee are set out in the detailed committee monitoring reports at Appendices 1 to 3 and within the Corporate Costs Medium Term Revenue Budget at appendix 4.

| Committee | Supplementary Estimates £000 | Variances to be managed/Virements £000 | Total £000 |
|---|---|---|---|
| General Public Services, Community Safety and Infrastructure | 0 | (129) | (129) |
| Climate Change, Leisure and Housing | 0 | (140) | (140) |
| Policy and Resources | 0 | 45 | 45 |
| **Total** | **0** | **(224)** | **(224)** |
| Corporate Costs (Interest Earned/ Paid) and Parish Precepts | 0 | 0 | 0 |
| **Net General Fund** | **0** | **(224)** | **(224)** |

2.1.3 Within appendices 1 to 3, annex B sets out the supplementary estimates, variances to be managed, and budget virements requested for each committee.

2.1.4 The budget virements requested enable effective budget management by ensuring that budgets are aligned to service activity, management responsibilities, and reflect grant income and planned use of reserves. Budget virements must always net to zero across the Council's budget. Policy and Resources Committee is recommended to approve the budget virements at paragraph 10.1.

2.1.5 There are no supplementary estimates requested at the end of Period 10. Supplementary estimates are requested when there is certainty that a budget pressure will arise, and the pressure cannot be managed within the service area. Supplementary estimates are funded by an increase in the contribution from General Balances and if agreed, result in the latest budget being updated to reflect the agreed expenditure. The impact of agreeing the additional budget is taken into account in the General Fund reserves forecast at paragraph 2.2.1. Policy and Resources Committee is recommended to approve the budget virements at paragraph 10.2.

2.1.6 At the end of Period 10, variances to be managed total (£0.224m). The Policy and Resources Committee is recommended to note these variances at paragraph 10.3.

## 2.2 Revenue Reserve Position

2.2.1 The effect of all Period 10 variances on the Council's General Fund Reserve over the medium term is shown in the table below:

| Movement on General Fund Balance | 2024/25 | | | | 2025/26 | 2026/27 | 2027/28 |
|---|---|---|---|---|---|---|---|
| | Original | Latest Budget | Previous Forecast | Latest Forecast | Latest | Latest | Latest |
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Balance Brought Forward at 1 April | (5,027) | (5,027) | (5,027) | (5,027) | (4,707) | (4,663) | (3,984) |
| (Surplus)/Deficit for Year | 251 | 764 | 480 | 108 | 44 | 679 | 886 |
| Creation of Additional Earmarked Reserves | 0 | 0 | 212 | 212 | 0 | 0 | 0 |
| **Closing Balance at 31 March** | **(4,776)** | **(4,263)** | **(4,335)** | **(4,707)** | **(4,663)** | **(3,984)** | **(3,098)** |

2.2.2 A prudent minimum general fund balance of £2.000m is considered appropriate. The general fund balance is forecast to remain above this minimum level over the medium term.

2.2.3 The Council also has the Economic Impact Reserve which is held to manage the impact of economic fluctuations. The reserve will be used in 2024/25 to fund the shortfall on the SLM management contract income as a result of the impact of COVID-19 on the leisure contract and the reprofiling of the management fee in the following table:

| Movement on Economic Impact Reserve | 2024/25 | | | | 2025/26 | 2026/27 | 2027/28 |
|---|---|---|---|---|---|---|---|
| | Original | Latest Budget | Previous Forecast | Latest Forecast | Latest | Latest | Latest |
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Balance Brought Forward at 1 April | (1,530) | (1,530) | (1,530) | (1,530) | (1,383) | (1,035) | (1,035) |
| Covid-19 Impact for year | 0 | 0 | 0 | 148 | 348 | 0 | 0 |
| **Closing Balance at 31 March** | **(1,530)** | **(1,530)** | **(1,530)** | **(1,383)** | **(1,035)** | **(1,035)** | **(1,035)** |

2.2.4 After taking account of the Economic Impact Reserve, the Council's unrestricted reserves position is forecast to remain above the £2.0m risk assessed level across the MTFP at £4.133m as at 31 March 2028 see Appendix 6.

2.3 **Investment Portfolio**

2.3.1 The Council's Property Investment Board was allocated up to a total of £20.000m in 2017 to invest in acquiring property with a specific remit of achieving a 5% return (yield) on the investment. The table below shows those properties that the Council has acquired, the 2024/25 receivable rent, and the resulting yield.

2.3.2 The total rent due is forecast to be £1.032m which will achieve an average yield of 5.74%, above the 5% target.

2.3.3 The governance of property investments is covered in the Property Investment Strategy.

| Investment Property | 2024/25 rent<br>£000 | Total cost of property<br>£000 | Yield<br>% | Comments |
|---|---|---|---|---|
| Nottingham | (205) | 4,469 | 4.59% | Acquisition of freehold interest located in the city centre of Nottingham let to commercial tenants, for a combined rental of £227,600pa on a 10 year lease from Feb 2018 which is subject to upward only rent reviews in Feb 2023. With effect from the Feb 2023, Barclays Bank Plc rent has been negotiated and agreed at £145,000 pa. This will be to lease end Feb 2028. Due to financial difficulties which a number of high street brands have encountered, one tenant company was under a Company Voluntary Agreement (CVA). Effective from the 2/9/20 to 8/4/2023, paying only a concessionary rent of £12,000 pa as opposed to the contracted rent of £60,000 pa. Property Services have, with effect from the end of the CVA, reverted the rent back to £60,000 pa. A rent challenge has been lodged by the Tenant with TRDC, querying the reversion of rent to the original contracted rent of £60k after the CVA. The tenant is continuing to pay the concessionary rate until a market review is carried out. Market Valuation has now been agreed at £60,369p.a. Tenant is being billed for backdated accrued rent. |
| Norwich | (511) | 7,169 | 7.13% | Acquisition of a freehold interest located in the city centre of Norwich. Let to commercial sitting tenants for 20-year lease from December 2007. The rent due wef 21-12-21was £468,670. The rent is reviewed annually in line with RPI, with a collar and cap arrangement of 3% and 5% respectively. However, the lease requires that every 5th year a market rent review is undertaken. Rent review undertaken and it has been decided to uplift rent wef 21-12-22 by cap rate of 5%. This will result in an annual rental figure of £492103.58. A rent uplift by 3% instead of 5%as been assumed to be effective from 21-12-23, thus resulting in an annual rent of £506867. |
| Lincoln Drive (South Oxhey) | (151) | 2,740 | 5.51% | The purchase of a Temporary Accommodation hostel at Lincoln Drive, South Oxhey. This comprises of 20 units with a mixture of 1, 2 and 3 bedrooms. This represents the net rent after the deduction of the management fee payable to Watford Community Housing which includes voids and the provision for bad debts. |
| The Grapevine | (165) | 0 | 0.00% | A joint venture development with Watford Community Housing on the ex-public house site 'The Grapevine'. Loan facilities provided by TRDC to Three Rivers Homes Ltd comprises of £5.182M with an interest payment at 4.8% for the market rate loan and 2.5% for the Social |

| | | | | |
|---|---|---|---|---|
| | | | | Loan. Principal repayments amounts will have now come into effect from 31-3-24 for both loans. These figures are according to the revised Principal Loan repayment schedules. The projected interest figures will be revised accordingly. Interest earned for both loans amount to £165k for the year 2024-25 |
| **Total** | **(1,032)** | **14,378** | **5.74%** | **Average Yield** |

2.4 **Capital Programme**

2.4.1 The Council's capital programme has been designed to support and enhance its core services and priorities. The Council's Medium Term Capital Investment Programme is shown by scheme by each Committee at Annex C in Appendices 1 to 3 and includes variances and commentary from officers.

2.4.2 The latest approved Capital budget is £20.158m. The forecast year end position for capital expenditure by Services at Period 10 is £19.894m. This provides a variance to latest budget of (£0.264m). The Policy and Resources Committee is recommended to approve a revised capital programme budget taking account of the budget variations as set out in appendices 1 to 3 at paragraph 10.4.

2.4.3 The table below shows the 2024/25 original budget, latest budget, forecast year end position, spend to date and variance for Period 10.

| Committee | Original Budget £000 | Original Budget Plus 2023/24 Rephasing | Latest Budget £000 | Spend to Date £000 | Year end Forecast £000 | Variance £000 |
|---|---|---|---|---|---|---|
| General Public Services, Community Safety & Infrastructure | 2,036 | 3,012 | 5,240 | 1,887 | 5,056 | (184) |
| Climate Change, Leisure & Housing | 2,092 | 2,624 | 3,827 | 1,689 | 3,715 | (112) |
| Policy & Resources | 1,249 | 1,422 | 1,267 | 472 | 1,253 | (14) |
| **Total Service** | **5,377** | **7,059** | **10,335** | **4,049** | **10,024** | **(310)** |
| **Major Projects:** | | | | | | |
| **Temporary Accommodation – All Sites** | *0* | *0* | *65* | *0* | *65* | *0* |
| Property Investment Board | 0 | 0 | 0 | 45 | 46 | |
| Local Authority Housing Fund | 0 | 5,845 | 9,758 | 4,037 | 9,758 | 460 |
| **Total Capital** | **5,377** | **12,904** | **20,158** | **8,131** | **19,894** | **(264)** |

2.4.4 As at the end of Period 10, the spend totalled £8.131m and represents 40.33% of the latest budget.

2.4.5 The capital programme is mainly supported by three income streams; capital receipts (derived from the sales of assets), grants and contributions, and the use of reserves. In addition, the Council may prudentially borrow to fund its capital programme. Decisions on borrowing (amount and

duration) will be taken when the need arises. Funding of the capital investment programme over the medium term is shown at Appendix 5.

2.5 **Key Risk Areas**

2.5.1 Resources are allocated in the revenue and capital budgets to support the achievement of The Council's corporate plan. The Council's budget is exposed to risks that can potentially impact on service level provision. The key risks highlighted as part of this quarter's monitoring are;

- **Inflation**
  The 12 month Consumer Price Index (CPI) was 3% for January 2025 and the Retail Price Index (RPI) was 3.6%. Inflation drives costs across the Council's budgets with the most significant impact on pay, fuel and energy costs. The impact on the Council's budget is set out section 2.6 below.

- **Business Rates & Council Tax**

  The cost of living crisis, low economic growth and risk of recession will continue to place pressure on households and businesses throughout 2024/25 and may impact on the collection rates for Council Tax and Business Rates (NNDR - National Non Domestic Rates). The table below shows the impact on collection rates in the first ten months of this year:

| Fund | P10 2024/25 Target | P10 2024/25 Actual | Difference |
|---|---|---|---|
| Council Tax | 81.7% | 95% | 13.3% |
| Business Rates (NNDR) | 82.5% | 88.39% | 5.89% |

As at 31 January, collection rates for Council Tax a NNDR are ahead of target , this reflects the profile of payment plan options such as the payment of Council Tax over 10 months of the year rather than 12. Year on year, the collection of Council Tax is marginally ahead the position reported at 31 January 2024 when 94.6% (0.4%) of Council Tax due had been collected and Business Rate is behind when 91.13% (-2.74%) of Business Rates due had been collected.

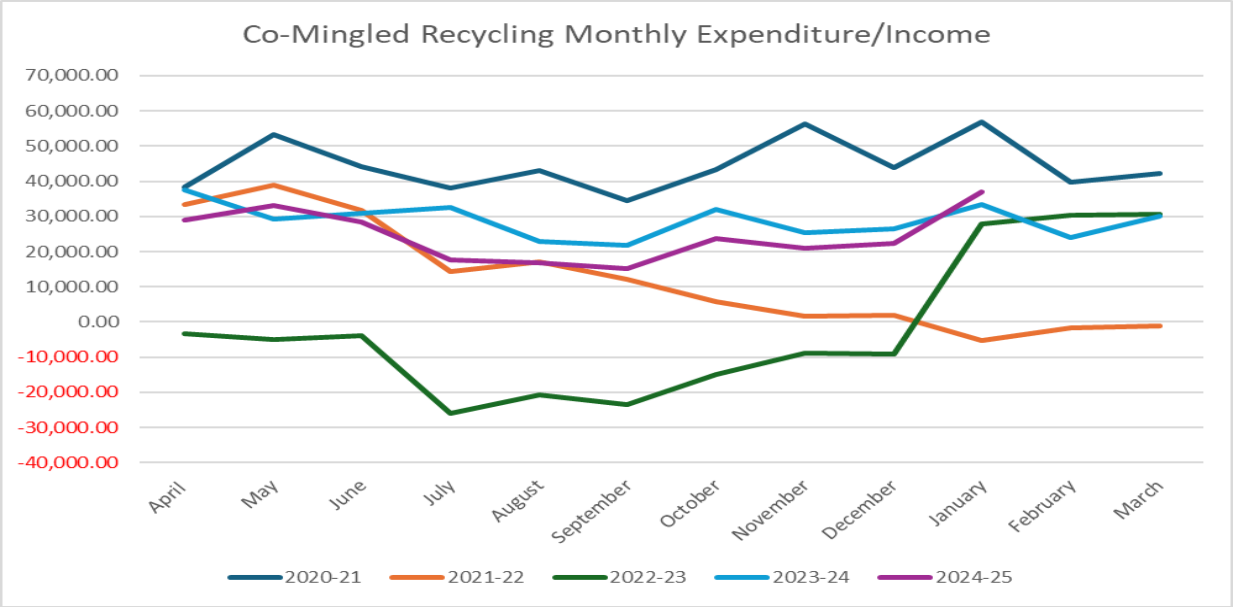
Any impact on collection rates will feed through the Collection Fund to impact on council spending power in 2025/26 through the Collection Fund surplus or deficit.

- **Recycling Costs**

  The Council has a contract for the disposal of recycling. The cost of the contract is variable and is linked to the global commodities market. The price can fluctuate significantly and when demand for recyclable materials is high the Council receives income for the recycling. Currently, the Council faces a cost to dispose of recycling as demand for materials has reduced. Recent economic performance data released from China, where the economy appears to have entered a recession, suggests that demand for recyclable materials could remain low for longer, increasing the cost to the Council.

  At present the Council is being prudent in its forecasting and assuming that recyclable income will not recover. The graph below shows the cost of, or the income received for the last 4 years to/from our recycling contractor and illustrates how this position can change in year.

A favourable variance of £80,000 has been reported this monitoring period as the worst case scenario is now predicted to be £280,000 at year end.




- **Interest Rates**

  The Bank of England's response to high inflation has been to utilise monetary policy by increasing the Bank of England Base Rate. This has impacted on the cost at which government can borrow and has fed through to the rates at which Councils can borrow from HM Treasury through the Public Works Loans Board (PWLB), rates that can be achieved from deposits with HM Treasury through the Debt Management Office (DMO), local authority to local authority lending and borrowing, and the interest rates offered by banks on current accounts and fixed deposits. The Council's cashflow forecasts indicate that the Council does not have a borrowing requirement during 2024/25. Therefore, the risk to the Council is on the upside, as higher interest rates mean that the Council will be able to generate more income from investing cash balances. The Council's Treasury Management activity is reported to the Audit Committee and the performance against budget is contained within this report in Appendix 4.

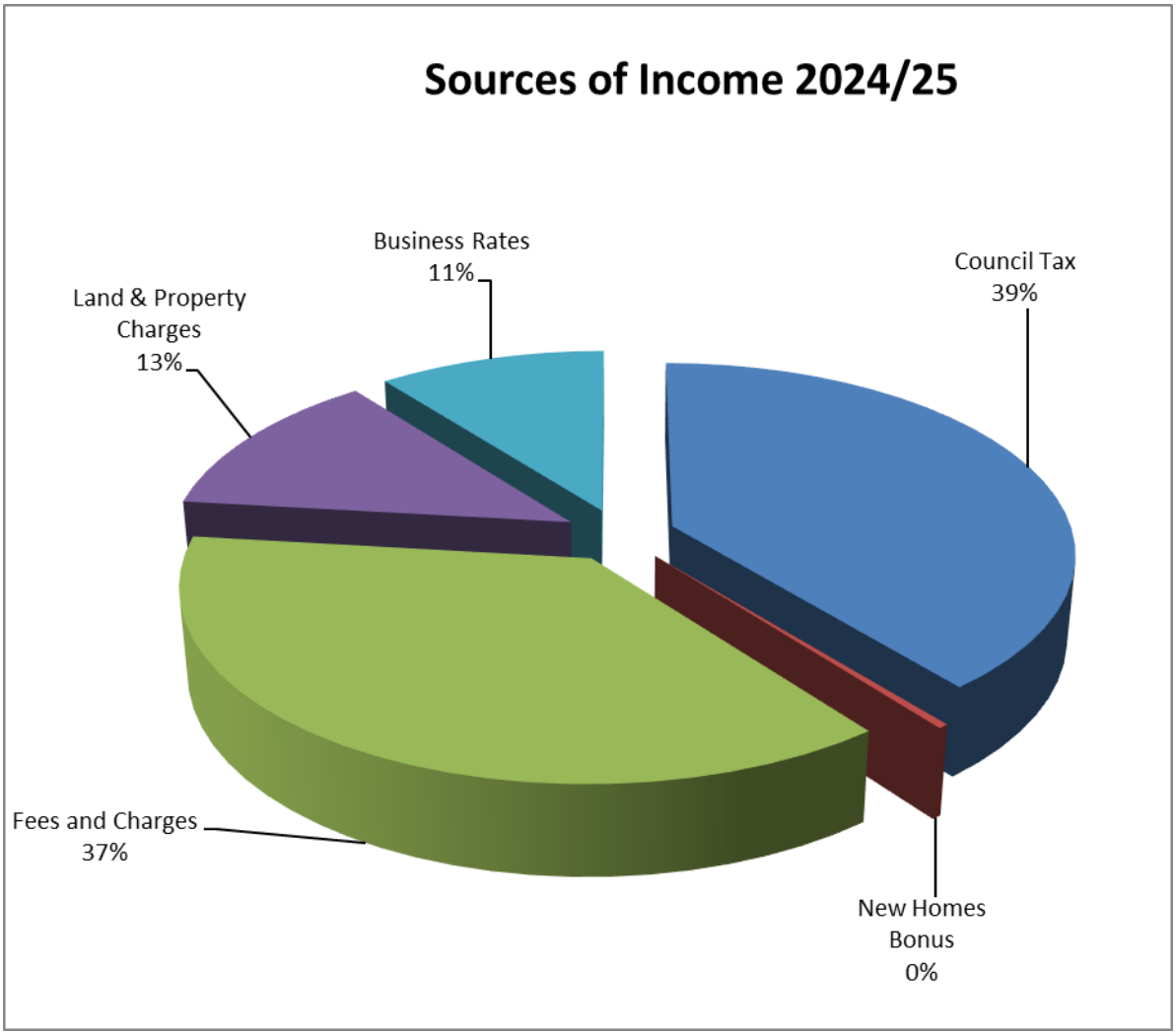
2.5.2 The Council's overall key financial risk matrix is shown at Appendix 7. These are reported and monitored and reviewed by the Council's Audit Committee on a quarterly basis. The latest matrix was presented to the Audit Committee on 28 November 2024.

## 2.6 Impact of inflation

2.6.1 Utility costs remain a concern, £51,230 of variances to be managed have been reported at 31 January. As far as possible, services will be expected to absorb increased costs by managing other expenditure.

2.7 **Council Income**

2.7.1 The chart below shows the amount of income for each source as a percentage of total income.




2.7.2 Particular income generating items can fluctuate depending on the economic climate, popularity and affordability. The main risks that are considered the most critical and their financial position are shown in the table below. It should be noted that the income receivable from the Planning Services and Parking Enforcement are not linear and are subject to peaks and troughs throughout the financial year.

2.7.3 Environmental Services, trade waste is invoiced to customers half yearly in April and October and garden waste for existing customers is charged for in one instalment at the beginning of the financial year.

2.7.4 Garage rents are charged on a weekly basis and are collected by a monthly direct debit. Licensing income relates licences which are issued on a one, three and five year basis.

| Service | Income Stream | 2024/25 Original Budget £ | 2024/25 Latest Budget £ | 2024/25 Actual to date £ | 2024/25 Year end Forecast £ | 2024/25 Variance £ |
|---|---|---|---|---|---|---|
| Regulatory Services | Application Fees | (846,420) | (846,420) | (707,515) | (846,420) | 0 |
| | Licenses | (207,135) | (207,135) | (168,740) | (168,135) | 39,000 |
| Parking | Penalty Charge Notices | (115,000) | (150,000) | (185,025) | (210,000) | (60,000) |
| | Pay and Display | (220,000) | (220,000) | (191,991) | (220,000) | 0 |
| Environmental Protection | Trade Refuse | (907,865) | (907,865) | (866,769) | (870,865) | 37,000 |
| | Garden Waste | (1,583,200) | (1,583,200) | (1,581,939) | (1,583,200) | 0 |
| | Clinical Waste | (123,825) | (123,825) | (117,742) | (117,825) | 6,000 |
| | Cemeteries | (242,243) | (242,243) | (224,803) | (268,643) | (26,400) |
| Property Services | Garages | (1,107,950) | (1,107,950) | (905,026) | (1,084,450) | 23,500 |
| | Shops | (210,000) | (210,000) | (182,201) | (170,000) | 40,000 |
| | Investment Properties | (950,499) | (950,499) | (824,570) | (950,499) | 0 |

2.7.5 Further details on the Council's key budget indicators for revenue service income streams (including volumes and trends) are shown in the detailed Committee Monitoring Reports at Appendices 1 to 3.

2.8 **Debtors (invoicing)**

2.8.1 The Council charges its customers for various services by raising debtor invoices. If the debt remains outstanding, then a variety of recovery methods are employed including rearranging the payment terms, stopping the provision of the service or pursing the debt through the legal recovery process.

2.8.2 As at the end of Period 10 (January), the total outstanding debt was £0.896m. This is equivalent to 3.34% of total budgeted income of £26.800m. Debts less than one month old total £0.287m (32.08% of total debt) and it is considered that this sum will be recovered. Outstanding debt over a year old is £0.204m (22.74% of the total debt) which mainly relate to rent on a Commercial Property where the tenant was subject to a CVA and Temporary Accommodation. The Council's debt recovery team will continue to chase these debts and initiate payment plans (instalments) wherever possible.

2.8.3 The table below shows a summary of the outstanding debt by the three main aged categories.

| Aged debt | Services | Under 1 Month | Over 1 Month to year | Over a year | Total |
|---|---|---|---|---|---|
| **Committee** | | **£** | **£** | **£** | **£** |
| General Public Services, Community Safety & Infrastructure | Community Partnerships | 36,075 | 635 | 720 | **37,430** |
| | Economic Development and Planning Policy | 1,250 | 0 | 7,463 | **8,713** |
| | Public Services | 126,268 | 45,621 | 2,516 | **174,405** |
| Climate Change, Leisure & Housing | Housing, Public Health and Wellbeing | 14,735 | 51,560 | 53,966 | **120,261** |
| | Leisure | 83,922 | 57,787 | 0 | **141,709** |
| | Sustainability & Climate | 0 | 0 | 0 | **0** |
| Policy & Resources | Resources | 24,461 | 249,054 | 114,096 | **387,611** |
| | Leader | 643 | 0 | 24,962 | **25,605** |
| **Total** | | **287,354** | **404,657** | **203,723** | **895,734** |

## 2.9 Treasury Management

2.9.1 The Council has managed its cash flows and adhered to its Treasury Management policy during the period to 31 January. The interest earned on the investments made by the Council supports the funding of the services it provides. The latest approved budget on short-term investment interest for 2024/25 is £1.850m. The Bank of England base interest rate was 5.25% on 1st April 2024 and was reduced to 5.0% in August 2024 and 4.75% in November 2024. The base rate was therefore 4.75% at the end of the period. Since the end of the Period the Bank of England base interest rate has reduced to 4.5%.

2.10 **Staff Vacancy Monitoring**

2.10.1 A major risk of non-delivery of service is where key staff leave the Council's employ and there is a delay or difficulty in recruiting suitable candidates to fill the vacant post. The table below summarises the level of vacancies at the end of January 2025 with a detailed analysis by service within appendices 1 to 3.

| Committee | No of Vacancies |
|---|---|
| General Public Services, Community Safety & Infrastructure | 3 |
| Climate Change, Leisure & Housing | 3 |
| Policy & Resources | 4 |
| **Total** | **10** |

2.10.2 The percentage of vacant posts at the end of the second quarter is 2.76% when compared against the total number of 362 Council posts. In some cases, vacant posts will be covered by agency staff to ensure service delivery.

**Options and Reasons for Recommendations**

3.1 The recommendations below enable the Committee to make recommendations to Council to agree the allocation of financial resources to delivery Council services.

**Policy/Budget Reference and Implications**

3.2 In accordance with the Council's Constitution and Financial Procedure Rules, if the recommendations are accepted, this will amend the Council's budgets for 2024/25, and over the MTFP.

3.3 There are no substantial changes to Council policy resulting from this report.

**Financial Implications**

4.1 The following revenue and capital variations have been identified for all service committees at 31 January 2025:

| Variance | 2024/25 £ | 2025/26 £ | 2026/27 £ | 2027/28 £ |
|---|---|---|---|---|
| **Revenue** - (Favourable)/ Unfavourable | (223,697) | 0 | 0 | 0 |
| **Capital** - Increase / (Decrease) | (263,759) | 347,056 | 0 | 0 |

4.2 The explanations relating to these variations are set out in the main body of this report and supporting appendices.

**Legal Implications**

5.1 There are no legal implications directly arising from this report.

**Equal Opportunities Implications**

6.1 Relevance Test

| | |
|---|---|
| Has a relevance test been completed for Equality Impact? | No |
| Did the relevance test conclude a full impact assessment was required? | No |

**7**

7.1 **Staffing, Environmental, Community Safety, Public Health, Customer Services Centre, Communications and Website Implications**

7.2 There are no relevant implications directly arising from this report.

**Risk and Health & Safety Implications**

8.1 The Council has agreed its risk management strategy which can be found on the website at http://www.threerivers.gov.uk. In addition, the risks of the proposals in the report have also been assessed against the Council's duties under Health and Safety legislation relating to employees, visitors and persons affected by our operations. The risk management implications of this report are detailed below.

8.2 The Financial and Budgetary risks are set out in Appendix 8 and are also reported to each meeting of the Audit Committee. FIN07, which captures the risk that the medium term financial position worsens, is also reported within the Council's Strategic Risk Register.

8.3 The risks set out in Appendix 8 are scored using the matrix below. The Council has determined its aversion to risk and is prepared to tolerate risks where the combination of impact and likelihood scores 6 or less.

**Recommendation**

To Council:

9.1 That the revenue budget virements as set out in appendices 1 to 3 be approved and incorporated into the three-year medium-term financial plan.

9.2 That the revenue budget supplementary estimates as set out in appendices 1 to 3 be approved and incorporated into the three-year medium-term financial plan.

9.3 That the revenue variances to be managed as set out in appendices 1 to 3 be noted.

9.4 That the capital variances as set out in appendices 1 to 3 be approved and incorporated into the three-year medium-term financial plan.

Data Quality

Data sources:

Council's financial ledger

Data checked by:

Sally Riley, Finance Business Partner

Data rating:

| | | |
|---|---|---|
| **1** | **Poor** | |
| **2** | **Sufficient** | |
| **3** | **High** | ✓ |

**Background Papers**

Budget papers to Council – February 2025

P6 Budget Management Report – Policy and Resources Committee 11 November 2024

P3 Budget Management Report – Policy and Resources Committee 9 September 2024

**APPENDICES / ATTACHMENTS**

Appendix 1 General Public Services, Community Safety and Infrastructure Committee Detailed Monitoring Report

- Annex A - Medium term revenue budget by service
- Annex B - Explanations of revenue variances reported this Period
- Annex C - Medium term capital investment programme
- Annex D - Explanations of capital variances reported this Period
- Annex E – Key Income Streams

Appendix 2 Climate Change, Leisure and Housing Committee Detailed Monitoring Report

- Annex A - Medium term revenue budget by service
- Annex B - Explanations of revenue variances reported this Period
- Annex C - Medium term capital investment programme
- Annex D - Explanations of capital variances reported this Period

Appendix 3 Policy and Resources Committee Detailed Monitoring Report

- Annex A - Medium term revenue budget by service
- Annex B - Explanations of revenue variances reported this Period
- Annex C - Medium term capital investment programme
- Annex D - Explanations of capital variances reported this Period
- Annex E – Key Income Streams

Appendix 4 Corporate Costs Medium Term Revenue Budget

Appendix 5 Funding the capital programme

Appendix 6 Medium Term Financial Plan 2024-2028

Appendix 7 Reserves Forecast 2024/25

Appendix 8 Budgetary Risks