

POLICY AND RESOURCES COMMITTEE

8 SEPTEMBER 2025

PART I

**BUDGET MONITORING REPORT TO 30 JUNE 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 3 (30 June 2025) set against the latest budget.
- 1.3 **Revenue Summary**
- 1.3.1 The original 2025/26 budget as approved by Council on 25 February 2025 was £14.677m. The latest budget which totals £15.108m includes the variances previously reported to Policy & Resources Committee in March 2025 (Period 10 Budget Monitoring) and approved by urgent decision in July 2025 (2024/25 year end report). The forecast year end position for 2025/26 at Period 3 is estimated to be £15.105m giving a favourable variance of (£0.003m).
- 1.3.2 The table below shows how the forecast year end position has been constructed:

Revenue Budget 2025/26	£000
<b>Original Net Revenue Budget</b>	<b>14,677</b>
Carry Forward from 2024/25 ( <i>Year end report approved by urgent decision July 2025</i> )	431
Original Budget Plus Carry Forwards from 2024/25	<b>15,108</b>
Supplementary Estimates to budget reported at Period 3 ( <i>to be approved</i> )	<b>(13)</b>
Variances to budget reported at Period 3 ( <i>to be noted</i> )	<b>10</b>
<b>Forecast Total Net Expenditure 2025/26</b>	<b>15,105</b>

1.3.3 The main variances are shown in the table below:

Committee	2025/26 Revenue Account - General Fund Summary							
			(C)	(A)		(B)	(B-A)	(B-C)
	Original Budget	Original Budget Plus 2024/25 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 Engagement	6,030	6,106	6,106	6,106	(1,236)	6,131	25	25
Climate Change & Leisure	1,504	1,573	1,573	1,573	160	1,573	0	0
Policy & Resources	4,885	5,172	5,172	5,172	4,473	5,144	(28)	(28)
<b>Total Service Budgets</b>	<b>12,419</b>	<b>12,851</b>	<b>12,851</b>	<b>12,851</b>	<b>3,397</b>	<b>12,848</b>	<b>(3)</b>	<b>(3)</b>
Corporate Costs (Interest Earned/Paid) and Parish Precepts	2,258	2,258	2,258	2,258	1,207	2,258	0	0
<b>Net General Fund</b>	<b>14,677</b>	<b>15,109</b>	<b>15,109</b>	<b>15,109</b>	<b>4,604</b>	<b>15,105</b>	<b>(3)</b>	<b>(3)</b>

1.3.4 The significant supplementary estimates and variances above include changes in the shared services agreements with Watford Borough Council, a request from Salary Contingency to facilitate the employment of a part-time Housing Enforcement Assistant on a 2 year fixed term secondment, increase in planning subscription costs and an increase in rental income from Herts Constabulary due to a rent review and using additional space.

#### 1.4 Capital Summary

1.4.1 The original 2025/26 capital budget as approved by Council on 25 February 2025 was £5.522m. The latest budget which totals £14.829m for 2025/26 includes the variances previously reported to Policy & Resources Committee in March 2025 (Period 10 Budget Monitoring) and approved by urgent decision in July 2025 (2024/25 year end report). The forecast Year end position for 2025/26 is estimated to be £14.829m, which reflects rephasing of £9.307m from 2024/25.

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

Capital Investment Programme 2025/26	£000
<b>Original Budget</b>	<b>5,522</b>
Rephasing from 2024/25 ( <i>year end report approved by urgent decision in July 2025</i> )	9,307
<b>Latest Budget</b> ( <i>To be approved at Council October 2025</i> )	<b>14,829</b>
Variances to budget reported at Period 3 ( <i>to be approved</i> )	0
<b>Forecast Capital Expenditure 2025/26</b>	<b>14,829</b>

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

Description	£000
<b>Basing House – Whole Life Costing</b> No Planned works this year – Budget virement of £60,000 requested to Temporary Accommodation – All Sites, primarily for 38 Lincoln Drive	(60)
<b>Temporary Accommodation – All Sites</b> Budget virement of £60,000 from Basing House – Whole Life Costing requested to facilitate internal works, primarily to 38 Lincoln Drive	60
<b>Total Capital Variance</b>	<b>0</b>

## 1.5 Reserves Summary

- 1.5.1 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 2025  £000	Movement  £000	Balance at 31 March 2026  £000
Capital Reserves	(9,721)	(87)	(9,808)
Earmarked Reserves	(24,118)	(312)	(24,430)
Economic Impact Reserve	(1,382)	347	(1,035)
General Fund	(4,903)	472	(4,431)
<b>Total</b>	<b>(40,125)</b>	<b>421</b>	<b>(39,704)</b>

## Details

### 2.1 Revenue Budget

- 2.1.1 The Council's latest approved services budget (excluding corporate budgets) is £12.851m. The Forecast year end position is now estimated to be £12.848m which results in a favourable service variance of (£0.003m). After taking account of Corporate Costs, the total favourable variation is (£0.003m)
- 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 and Community Engagement	13	12	25
Climate Change and Leisure	0	0	0
Policy and Resources	(26)	(2)	(28)
<b>Total</b>	<b>(13)</b>	<b>10</b>	<b>(3)</b>
Corporate Costs (Interest Earned/ Paid) and Parish Precepts	0	0	0
<b>Net General Fund</b>	<b>(13)</b>	<b>10</b>	<b>(3)</b>

- 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 Supplementary estimates totalling (£0.013m) are requested at the end of Period 3. 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 3, variances to be managed total £0.010m. 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 3 variances on the Council's General Fund Reserve over the medium term is shown in the table below:

Movement on General Fund Balance	2025/26				2026/27	2027/28
	Original £000	Latest Budget £000	Previous Forecast £000	Latest Forecast £000	Latest £000	Latest £000
Balance Brought Forward at 1 April	(4,903)	(4,903)	(4,903)	(4,903)	(4,431)	(3,756)
(Surplus)/Deficit for Year	391	823	823	472	675	883
<b>Closing Balance at 31 March</b>	<b>(4,512)</b>	<b>(4,080)</b>	<b>(4,080)</b>	<b>(4,431)</b>	<b>(3,756)</b>	<b>(2,872)</b>

- 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 2025/26 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 and to fund the Local Plan in the following table:

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

- 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 £3.908m 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 2025/26 receivable rent, and the resulting yield.
- 2.3.2 The total rent due is forecast to be £0.871m which will achieve an average yield of 5.72%, above the 5% target.

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

Investment Property	2024/25 rent £000	Total cost of property £000	Yield %	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 Robinson Webster (Jigsaw) Ltd 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. Market Rent Valuation has now been agreed by TRDC and Jigsaw of £60,369pa. from the end of the CVA (8/4/23).
Norwich	(521)	7,169	7.27%	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 21-12-21 was £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. A rent review was undertaken wef 21-12-22 resulting in an uplift by the cap rate of 5%; totalling an annual rental figure of £492,103.58. The rents have been reviewed since and the uplifts from Dec 2023 is £516,708.80 and Dec 2024 £534,568.63. We are awaiting signoff for the rent uplifts from the tenant.
Lincoln Drive (South Oxhey)	(145)	2,740	5.29%	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.
<b>Total</b>	<b>(871)</b>	<b>14,378</b>	<b>5.72%</b>	<b>Average Yield</b>

## 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 Capital budget including re-phasing from 2024/25 is £14.829m. The forecast year end position for capital expenditure by Services at Period 3 remains at £14.829m. 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 2025/26 original budget, latest budget, forecast year end position, spend to date and variance for Period 3.

Committee	Original Budget £000	Original Budget Plus 2024/25 Rephasing	Latest Budget £000	Spend to Date £000	Year end Forecast £000	Variance £000
General Public Services and Community Engagement	2,569	4,905	4,905	522	4,905	0
Climate Change and Leisure	1,566	2,332	2,332	200	2,332	0
Policy & Resources	887	1,372	1,372	210	1,372	0
<b>Total Service</b>	<b>5,022</b>	<b>8,609</b>	<b>8,609</b>	<b>932</b>	<b>8,609</b>	<b>0</b>
<b>Major Projects:</b>						
South Oxhey Parking	500	500	500	0	500	0
Property Investment Board	0	0	0	2	0	0
Local Authority Housing Fund	0	5,720	5,720	0	5,720	0
<b>Total Capital</b>	<b>5,522</b>	<b>14,829</b>	<b>14,829</b>	<b>934</b>	<b>14,829</b>	<b>0</b>

2.4.4 As at the end of Period 3, the spend totalled £0.934m and represents 6.30% 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 3.6% for June 2025 and the Retail Price Index (RPI) was 4.4%. 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.

- **Pay Award**

The pay award for 2025/26 was agreed at 3.2% for all employees on 23<sup>rd</sup> July 2025 and will be reflected in the committee budgets at Period 6 (September). The central contingency is sufficient to meet the pay award.

- **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 2025/26 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 three months of this year:

Fund	P3 2025/26 Target	P3 2025/26 Actual	Difference
Council Tax	24.51%	30.3%	5.79%
Business Rates (NNDR)	24.75%	31.63%	6.88%

As at 30 June, collection rates for Council Tax and 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 behind the position reported at 30 June 2024 when 31.1% (-0.8%) of Council Tax due had been collected and Business Rates is ahead when 24.06% (7.57%) of Business Rates due had been collected.

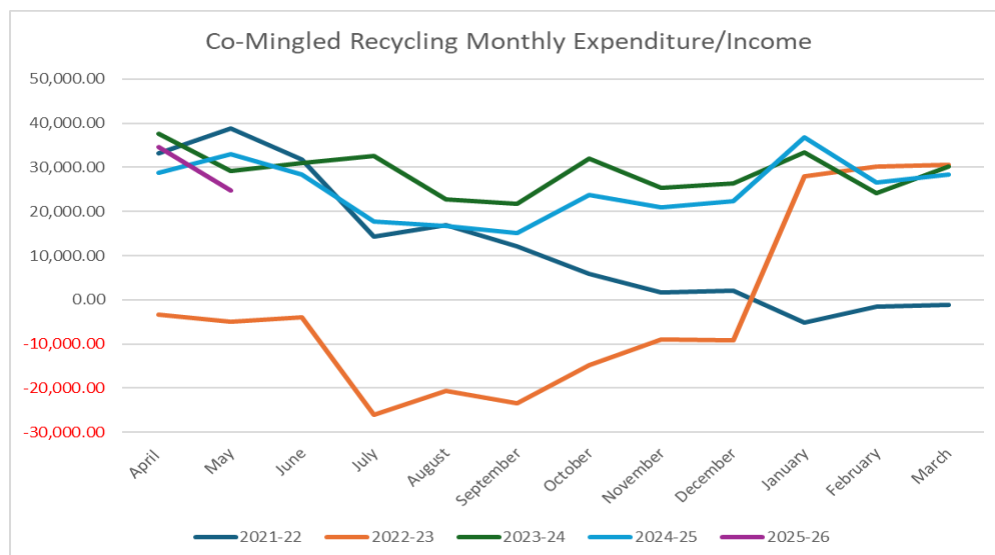
Any impact on collection rates will feed through the Collection Fund to impact on council spending power in 2026/27 through the Collection Fund surplus or deficit.

- **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.





#### • 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 2025/26. 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.

#### • PCN (Penalty Charge Notices) Write-Off

Approval is sought to "write off" an irrecoverable debt from Penalty Charge Notices issued by our parking enforcement provider, Hertsmere Borough Council, as the sum in question is above the delegated authority of the Director of Finance.

The sum of £3,846 pertains to 31 PCN's issued to one vehicle during the period 20/10/2021-5/5/2022. The owner of the vehicle has not been traced.

Hertsmere Borough Council have provided the Council's parking enforcement service since April 2018. A "Penalty Charge Notice Write Off Policy" for irrecoverable debts arising from unpaid Penalty Charge Notices exists and has been implemented. The debt is only considered irrecoverable once the recovery procedures have been fully exhausted.

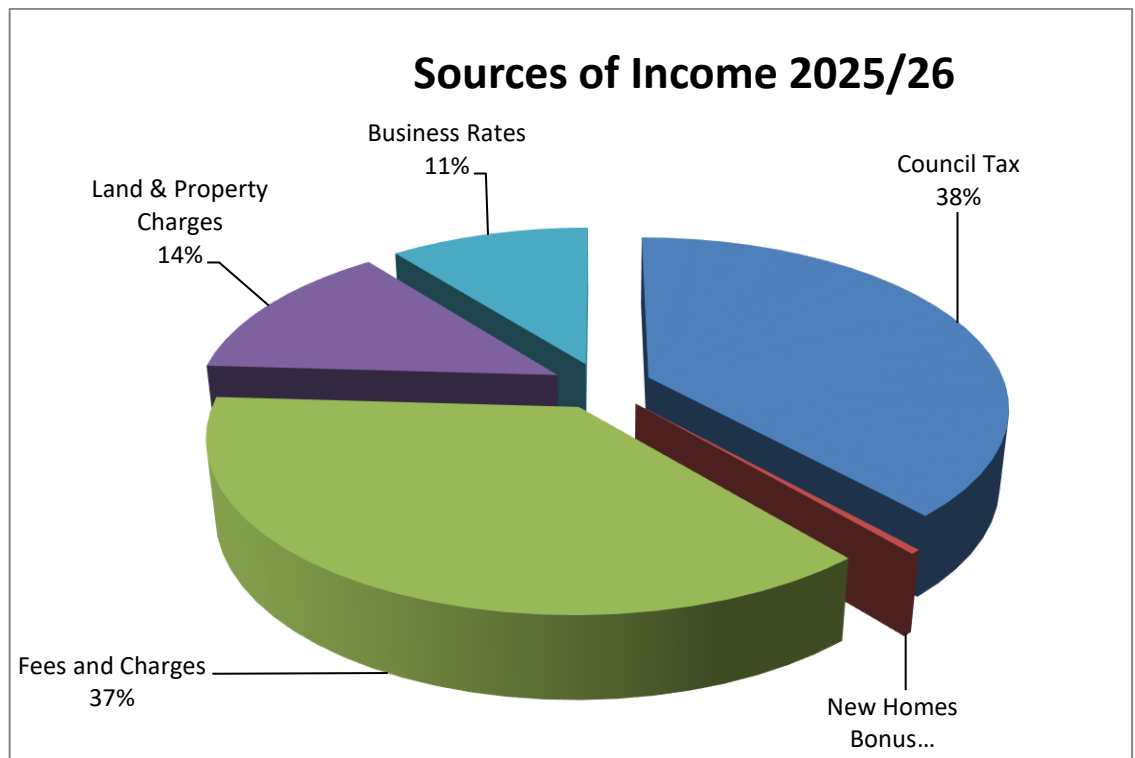
- 2.5.2 The Council's overall key financial risk matrix is shown at Appendix 7. These are reported and monitored and reviewed by the Council's Audit Committee on a quarterly basis. The latest matrix was presented to the Audit Committee on 25 March 2025.

## 2.6 Impact of inflation

- 2.6.1 Energy costs are expected to continue to place pressure on budgets in year although the pressure has not materialised in actual costs to 30 June 2025. 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	2025/26 Original Budget £	2025/26 Latest Budget £	2025/26 Actual to date £	2025/26 Year end Forecast £	2025/26 Variance £
Regulatory Services	Application Fees	(846,420)	(846,420)	(327,774)	(846,420)	0
	Licenses	(208,685)	(208,685)	(74,668)	(208,685)	0
Parking	Penalty Charge Notices	(115,000)	(115,000)	(53,475)	(115,000)	0
	Pay and Display	(220,000)	(220,000)	(61,058)	(220,000)	0
Environmental Protection	Trade Refuse	(930,570)	(930,570)	(436,316)	(930,570)	0
	Garden Waste	(1,703,200)	(1,703,200)	(1,659,815)	(1,703,200)	0
	Clinical Waste	(126,925)	(126,925)	(52,830)	(126,925)	0
	Cemeteries	(248,283)	(248,283)	(36,461)	(248,283)	0
Property Services	Garages	(1,180,120)	(1,180,120)	(274,759)	(1,180,120)	0
	Shops	(210,000)	(210,000)	(85,818)	(210,000)	0
	Investment Properties	(982,225)	(982,225)	(374,910)	(982,225)	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 pursuing the debt through the legal recovery process.
- 2.8.2 As at the end of Period 3 (June), the total outstanding debt was £0.841m. This is equivalent to 2.97% of total budgeted income of £28.341m. Debts less than one month old total £0.320m (38.1% of total debt) and it is considered that this sum will be recovered. Outstanding debt over a year old is £0.228m (27.07% of the total debt) which mainly relate to Temporary Accommodation and rent on a Commercial Property where the tenant was subject to a CVA, which has now come to an end, and a payment plan is now in place as a result of a rent review and back dated rent owed. 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 and Community Engagement	Community Partnerships	117,235	12,141	790	<b>130,166</b>
	Economic Development and Planning Policy	0	2,058	7,463	<b>9,521</b>
	Housing, Public Health and Wellbeing	6,297	34,626	60,880	<b>101,803</b>
	Public Services	4,098	68,947	2,693	<b>75,738</b>
Climate Change and Leisure	Leisure	6,671	9,048	976	<b>16,695</b>
	Sustainability & Climate	0	0	0	<b>0</b>
Policy & Resources	Resources	186,047	165,375	154,600	<b>506,022</b>
	Leader	0	643	220	<b>863</b>
<b>Total</b>		<b>320,348</b>	<b>292,838</b>	<b>227,622</b>	<b>840,808</b>

## 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 30 June. The interest earned on the investments made by the Council supports the funding of the services it provides. The Council set an original budget of £0.690m on short-term interest investment for 2025/26. The Bank of England base interest rate was 4.50% on 1st April 2025 and was reduced to 4.25% in May 2025. The base rate was therefore 4.25% at the end of the period.

## 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 June 2025 with a detailed analysis by service within appendices 1 to 3.

Committee	Vacancies
General Public Services and Community Engagement	1
Climate Change and Leisure	1
Policy & Resources	4
	<b>6</b>

- 2.10.2 The percentage of vacant posts at the end of the second quarter is 1.66% 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 deliver Council services.

## Policy/Budget Reference and Implications

- 4.1 In accordance with the Council's Constitution and Financial Procedure Rules, if the recommendations are accepted, this will amend the Council's budgets for 2025/26, and over the MTFP.
- 4.2 There are no substantial changes to Council policy resulting from this report.

## Financial Implications

- 5.1 The following revenue and capital variations have been identified for all service committees at 30 June 2025:

Variance	2025/26 £	2026/27	2027/28
Revenue - (Favourable)/ Unfavourable	(3,306)	(3,936)	(2,912)
Capital - Increase / (Decrease)	0	0	0

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

## Legal Implications

- 6.1 There are no legal implications directly arising from this report.

## Equal Opportunities Implications

- 7.1 Relevance Test

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

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

- 8.1 There are no relevant implications directly arising from this report.

## Risk and Health & Safety Implications

- 9.1 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.
- 9.2 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.

- 9.3 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:

- 10.1 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.
- 10.2 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.
- 10.3 That the revenue variances to be managed as set out in appendices 1 to 3 be noted.
- 10.4 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

## **APPENDICES / ATTACHMENTS**

- Appendix 1 General Public Services and Community Engagement 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 and Leisure 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 2025-2028
- Appendix 7 Reserves Forecast 2025/26
- Appendix 8 Budgetary Risks

