

# POLICY AND RESOURCES COMMITTEE – 11 SEPTEMBER 2023

## PART I – NOT DELEGATED

### BUDGET MONITORING REPORT TO 31 JULY 2023 (DoF)

#### 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 four (31 July 2023) set against the latest budget.
- 1.3 **Revenue Summary**
- 1.3.1 The original 2023/24 budget as approved by Council 12 February 2023 was £13.754m. The latest budget which totals £14.245m includes the variances previously reported to Policy and Resources Committee in March 2023 (Period 10 Budget Monitoring) and July 2023 (2022/23 Year end report). The forecast year end position for 2023/24 at Period 4 is estimated to be £15.372m giving an unfavourable variance of £1.127m.
- 1.3.2 The table below shows how the forecast year end position has been constructed:

Revenue Budget 2022/23	£000
<b>Original Net Revenue Budget</b>	<b>13,754</b>
Carry Forward from 2022/23 (Year end report July 2023)	0.442
Latest Approved Budget	<b>14,245</b>
Supplementary Estimates to budget reported at Period 4 ( <i>to be approved</i> )	320
Variances to budget reported at Period 4 ( <i>to be noted</i> )	807
<b>Forecast Total Net Expenditure 2022/23</b>	<b>15,372</b>

The main variances are shown in the table below:   <b>Committee</b>	2023/24 Revenue Account – General Fund Summary				
		(A)		(B)	(B – A)
	Original Budget	Latest Budget	Net Spend to Date	Year end Forecast	Supplementary Estimates and Variances
	£000	£000	£000	£000	£000
General Public Services & Economic Development	3,887	3,978	252	4,481	503
Climate Change, Leisure and Community	2,442	2,499	(537)	2554	55
Policy & Resources	5,026	5,369	8204	6,157	788
<b>Total Service Budgets</b>	<b>11,355</b>	<b>11,846</b>	<b>7,919</b>	<b>13,192</b>	<b>1,346</b>
Corporate Costs (Interest Earned/ Paid) and Parish Precepts	2,400	2,400	1,027	2,180	(219)
<b>Net General Fund</b>	<b>13,755</b>	<b>14,245</b>	<b>8,946</b>	<b>15,372</b>	<b>1,127</b>

1.3.3 The significant supplementary estimates and variances above include the pay award, inflationary increases in contracts and the cost of recycling materials.

#### 1.4 Capital Summary

1.4.1 The original 2023/24 capital budget as approved by Council on 12 February 2023 was £4.602m. The latest budget which totals £15.488 million includes the variances previously reported to Policy and Resources Committee in July 2023 (2022/23 Year end report). The forecast Year end position for 2023/24 is now estimated to be £15.572m, which results in a service variation of £0.084m.

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

Capital Investment Programme 2022/23	£000
<b>Original Budget</b>	<b>4,602</b>
Rephasing from 2022/23	10,886
<b>Latest Approved Budget</b> (Council July 2022)	<b>15,488</b>
Variances to budget reported at Period 4 ( <i>to be approved</i> )	84
<b>Forecast Capital Expenditure 2023/24</b>	<b>15,572</b>

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

Description	£000
<b>Three Rivers House Whole Life Costing</b>	
Additional budget to be funded by a capital contribution from Salex towards the cost of the new air source heat pump being installed at Three Rivers House	89
<b>Denham Way MUGA</b>	
Additional budget to be funded by a capital contribution from HS2 towards the new MUGA at Denham Way	20

<b>Energy Performance Certificates</b>	
Capital budget not required as ongoing spend is revenue in nature. An offsetting variation is reported in the revenue forecast.	(2)
<b>Aquadrome</b>	
Capital budget not required as ongoing spend is revenue in nature. An offsetting variation is reported in the revenue forecast.	(23)
<b>Total Capital Variance</b>	<b>84</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 2023	Movement	Balance at 31 March 2024
	£000	£000	£000
Capital Reserves	(8,568)	(1,176)	(9,744)
Earmarked Reserves	(14,990)	0	(14,990)
Economic Impact Reserve	(1,618)	183	(1,435)
General Fund	(4,967)	1,782	(3,185)
<b>Total</b>	<b>(30,143)</b>	<b>789</b>	<b>(29,354)</b>

## Details

### 2.1 Revenue Budget

2.1.1 The Council's latest approved services budget (excluding corporate budgets) is £11.846m. The forecast year end position is now estimated to be £13.192m which results in a service variance of £1.346m. After taking account of Corporate Costs, the total variation is £1.127m.

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 £000	Total £000
General Public Services and Economic Development	175	328	503
Climate Change, Leisure and Community	32	23	55
Policy and Resources	108	680	788
<b>Total</b>	<b>315</b>	<b>1,031</b>	<b>1,346</b>
Corporate Costs (Interest Earned/ Paid) and Parish Precepts	0	(219)	(219)
<b>Net General Fund</b>	<b>315</b>	<b>812</b>	<b>1,127</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. The detailed variations for Corporate Costs are set out in appendix 4.
- 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 £0.315m are requested at the end of period 4. 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 4, variances to be managed total £0.812m. The most significant pressure is £0.650m in relation to the expected pay award for 2023/24. Officers are in the process of identifying offsetting efficiency savings to reduce the forecast pressure within the current financial year. 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 4 variances on the Council's General Fund Reserve over the medium term is shown in the table below:

Movement on General Fund Balance	2023/24			2024/25	2025/26
	Original £000	Latest Budget £000	Forecast £000	Latest £000	Latest £000
Balance Brought Forward at 1 April	(4,967)	(4,967)	(4,967)	(3,184)	(2,136)
(Surplus)/Deficit for Year	347	838	1,782	1,048	1,052
<b>Closing Balance at 31 March</b>	<b>(4,620)</b>	<b>(4,129)</b>	<b>(3,185)</b>	<b>(2,136)</b>	<b>(1,084)</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 2023/24 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. The forecast for the Economic Impact Reserve is set out in the following table:

Movement on Economic Impact Reserve	2023/24			2024/25	2025/26
	Original £000	Latest Budget £000	Outturn £000	Latest £000	Latest £
Balance at 1 April	(1,618)	(1,618)	(1,618)	(1,435)	(1,287)
COVID-19 Impact for Year	0	0	183	148	148
<b>Closing Balance at 31 March</b>	<b>(1,618)</b>	<b>(1,618)</b>	<b>(1,435)</b>	<b>(1,287)</b>	<b>(1,19)</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 £2.224m as at 31 March 2026.

### 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 2022/23 receivable rent, and the resulting yield.

2.3.2 The total rent due is forecast to be £1.039m which will achieve an average yield of 5.67%, above the 5% target.

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

Investment Property	2022/23 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 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.
Norwich	(496)	7,169	6.92%	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. 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 £492,103.58. Forecast includes an element of backdate rent in relation to the uplift following the rent review.
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. Management costs have increased wef April 23 by 11%. Rent and bad debt provision remain the same.
The Grapevine	(187)	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 plus accrued interest amounting to £187k.
<b>Total</b>	<b>(1,039)</b>	<b>14,378</b>	<b>5.67%</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 2022/23 is £15.488m. The forecast year end position for capital expenditure by Services at Period 4 is £15.572m. This provides a variance to latest budget of £0.084m. 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 2023/24 original budget, latest budget, forecast year end position, spend to date and variance for Period 4.

Committee	Original Budget £000	Latest Budget £000	Spend to Date £000	Year end Forecast £000	Variance £000
General Public Services & Economic Development	2,368	2,985	285	2,983	(2)
Climate Change, Leisure & Community	1,122	1,261	536	1,258	(3)
Policy & Resources	1,112	1,563	104	1,652	89
<b>Total Service</b>	<b>4,602</b>	<b>5,809</b>	<b>925</b>	<b>5,893</b>	<b>84</b>
<b>Major Projects:</b>					
South Oxhey Initiative	0	7	0	7	0
Property Investment	0	9,672	3,579	9,672	0
<b>Total Capital</b>	<b>4,602</b>	<b>15,488</b>	<b>4,504</b>	<b>15,572</b>	<b>84</b>

2.4.4 As at the end of Period 4, the spend totalled £4.504m and represents 29.08% 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**

Inflation, as measured by the Consumer Price and Retail Price Indices, remains significantly above the Bank of England target of 2%. The 12 month Consumer Price Index (CPI) was 6.8% in July 2023 and the Retail Price Index (RPI) was 9.0%. 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 2023/24 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 four months of this year:

Fund	P4 2023/24 Target	P4 2023/24 Actual	Difference
Council Tax	32.68%	39.50%	6.82%
Business Rates (NNDR)	33.00%	42.15%	9.15%

As at 31 July, collection rates for both Council Tax and NNDR are ahead of target, however, 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 of the position reported at 31 July 2022 when 39.2% (+0.30%) of Council Tax and 41.87% (+0.28%) 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 2024/25 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.

- **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 2023/24. 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 27 July 2023.

## 2.6 Impact of inflation

2.6.1 The pay award remains the most significant risk to the annual budget and MTFP. The unions submitted the 2023/24 pay claim, effective from 1 April 2023, which would see individual council employees receive an increase of RPI +2% (RPI presently 10.7%). An offer was made by the National Employers Panel on 8 March 2023.

2.6.2 The offer included an increase of £1,925 for all employees up to SCP43 and 3.88% above, and an increase in allowances of 3.88% effective from 1 April 2023. The offer was rejected by the three main unions (Unison, Unite and GMB), in the spring and unions have balloted members on potential strike action. The outcome of the ballots will be known in the Autumn but it is not expected that the pay award will be resolved until December at the earliest.

2.6.3 The offer made by the National Employers Panel is significantly above the 2.00% increase allowed within the budget for 2023/24 and represents an increase to the pay budget of 6.08%.

- 2.6.4 The total cost is estimated at £0.825m compared to a budget of £0.175m. This would create an annual pressure of £0.650m. This pressure could be met from general balances on a one off basis in the current year but will need to be addressed on an ongoing basis through the budget planning process.
- 2.6.5 Energy costs are expected to exceed budgets in year although the pressure has not materialised in actual costs to 31 July 2023. As far as possible, services will be expected to absorb increased costs by managing other expenditure.
- 2.6.6 An exercise is currently being undertaken to ensure that all utility bills are paid on an actual basis rather than on estimates. A further update will be provided in the next monitoring report when a forecast will be produced based on actual charges received and there will be further information available about the impact of the price cap reduction due in October.

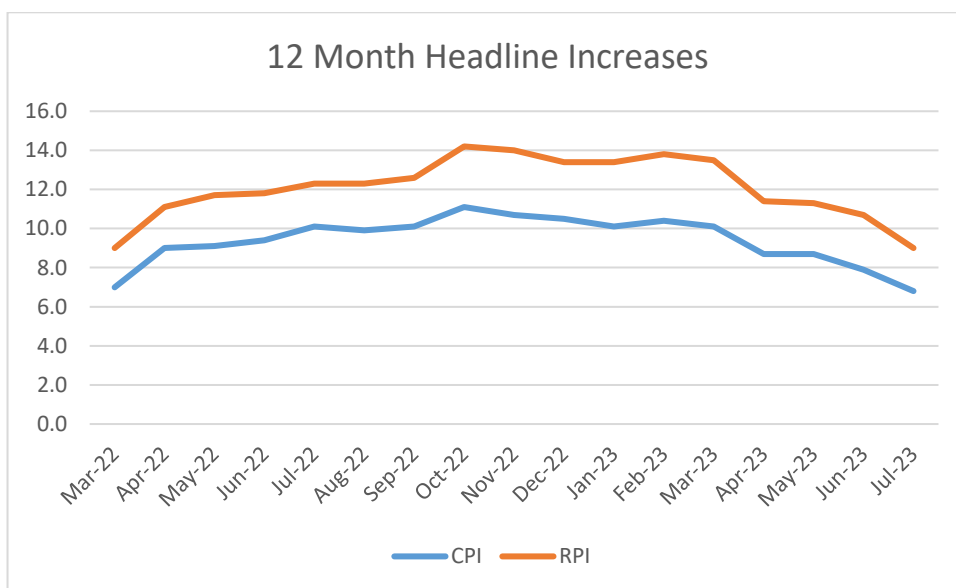
## 2.7 MTFP Planning Assumptions

2.7.1 The current MTFP includes the following planning assumptions:

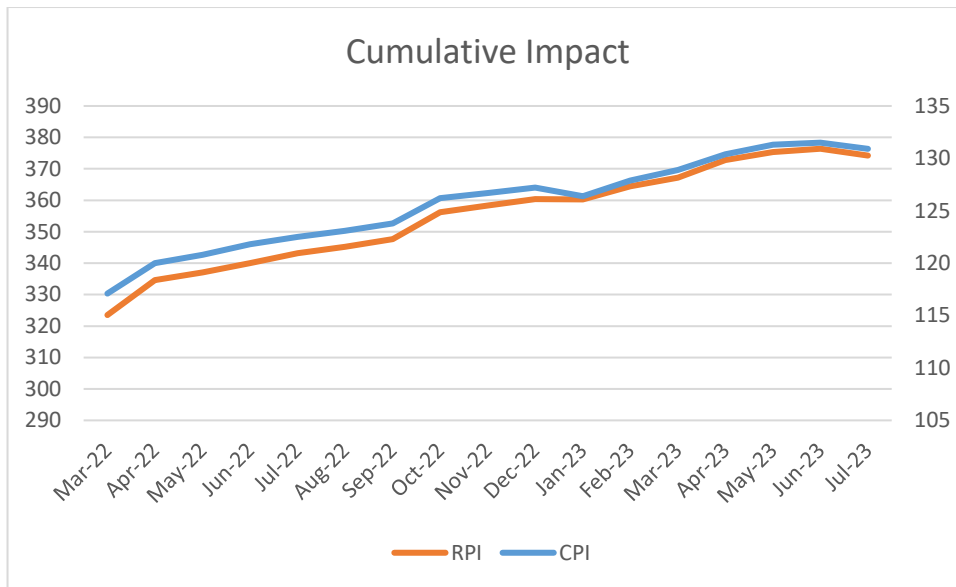
- 2% increase allowed for employee pay and member allowances
- 2.99% increase in Council Tax in 2024/24 (additional flexibility permitted as per the 2023/24 Local Government Finance Settlement) and £5.00 in 2025/26
- 1% growth in Council Tax Base for 2024/25 and 2025/26
- With the exception of budgets for pay and where contracts are index linked, budgets are cash limited with no allowance for inflation
- Fees and charges increase in line with inflation

2.7.2 When the current MTFP was agreed in February 2023, the latest report from the Bank of England's Monetary Policy Committee forecast inflation to fall sharply from the middle of 2023 to 5.0% by December 2023, 1.4% in December 2024 and 0.0% in December 2025. Although the Bank of England has raised interest rates from 3.0% in December to 5.0% to July 2023 (5.25% 3 August 2023), inflation has remained high to July 2023 with 12 month CPI at 6.8%.

2.7.3 The following graphs show the increase in CPI and RPI from March 2022/23 to July 2023/24.







2.7.4 High inflation and high interest rates impact the Council’s finances directly through higher pay awards and contract costs, but it also impacts on our residents which pushes up demand for services, decreases income from services such as planning and building control, and reduces Council Tax collection.

2.7.5 On 28 July, the Bank of England announced a review into the Bank’s ‘forecasting and related processes during times of significant uncertainty’ to be undertaken by an independent economist. It noted that ‘the UK economy has faced a series of unprecedented and unpredictable shocks’ and that there is a ‘need to adapt to a world in which we increasingly face significant uncertainty.’

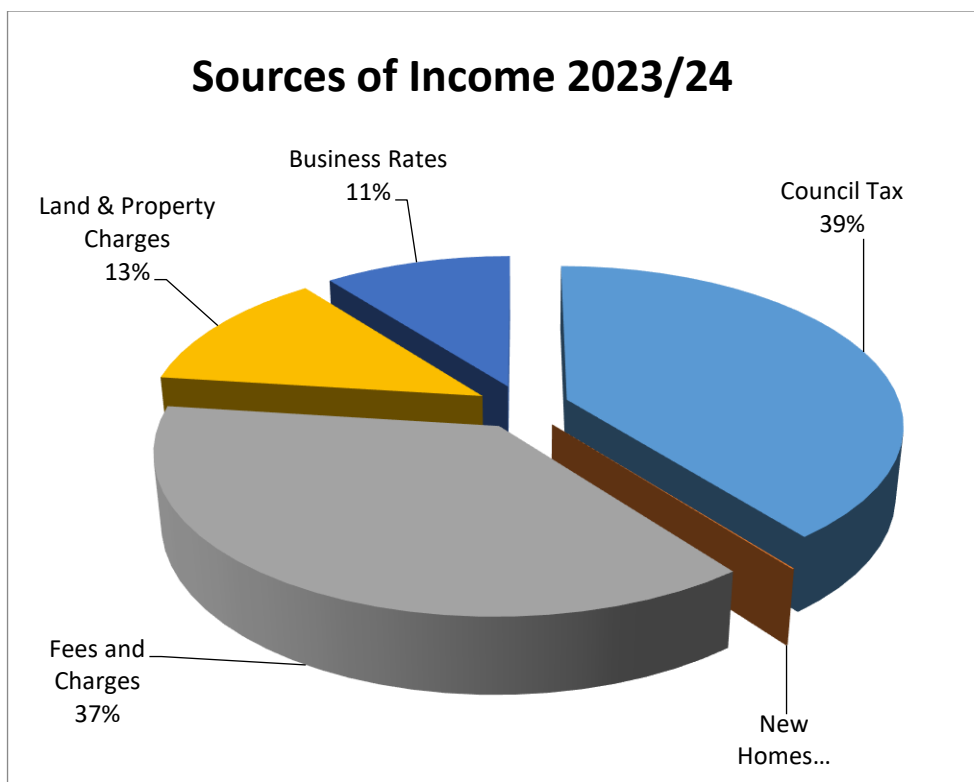
2.7.6 The economic uncertainty makes it particularly challenging for the Council to plan for the impact of inflation on the budget in future years. This is further complicated by a lack of certainty around the pay award for 2023/24 which is unlikely to be agreed until later in the financial year.

2.7.7 Planning assumptions will be kept under review throughout the autumn with the latest estimates incorporated into the proposed budget for 2024/25 and MTFP.

2.8 **Council Income**

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

## Sources of Income 2023/24



- 2.8.2 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.
- 2.8.3 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.
- 2.8.4 Garage rents are charged on a weekly basis and most are collected by a monthly direct debit. Licensing income relates to licences which are issued on a three or five year basis.

Service	Income Stream	2023/24 Original Budget £	2023/24 Latest Budget £	2023/24 Actual to date £	2023/24 Year end Forecast £	2023/24 Variance £
Regulatory Services	Application Fees	(696,420)	(696,420)	(186,083)	(696,420)	0
	Licenses	(200,260)	(200,260)	(88,174)	(200,260)	0
Parking	Penalty Charge Notices	(115,000)	(115,000)	(33,155)	(115,000)	0
	Pay and Display	(220,000)	(220,000)	(52,731)	(220,000)	0
Environmental Protection	Trade Refuse	(826,650)	(826,650)	(404,904)	(751,500)	0
	Garden Waste	(1,463,200)	(1,463,200)	(1,448,480)	(1,463,200)	0
	Clinical Waste	(113,850)	(113,850)	(56,038)	(113,850)	0
	Cemeteries	(222,673)	(222,673)	(108,574)	(222,673)	0
Property Services	Garages	(976,830)	(976,830)	(313,689)	(976,830)	0
	Shops	(210,000)	(210,000)	(85,598)	(210,000)	0
	Investment Properties	(890,089)	(890,089)	(383,664)	(890,089)	0

2.8.5 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.

## 2.9 Debtors (invoicing)

2.9.1 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.

2.9.2 As at the end of Period 4 (July), the total outstanding debt was £0.720m. This is equivalent to 2.83% of total budgeted income of £25.500 million. Debts less than a month old total £0.335m (46.47% of total debt) and it is considered that this sum will be recovered. Outstanding debt over a year old is £0.086m (11.97% of the total debt) which mainly relate to unpaid rent on Temporary Accommodation. The Council's debt recovery team will continue to chase these debts and initiate payment plans (instalments) wherever possible.

2.9.3 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 & Economic Development	Housing – Temporary Accommodation	6,924	16,463	52,183	<b>75,570</b>
	Economic Development and Planning Policy	0	217	7,463	<b>7,680</b>
	Public Services	135,980	44,648	3,009	<b>183,637</b>
Climate Change, Leisure & Community	Community Partnerships	182,649	16,310	360	<b>199,319</b>
	Leisure	1,708	72,167	0	<b>73,875</b>
	Sustainability & Climate	0	0	0	<b>0</b>
Policy & Resources	Resources	7,584	149,622	22,989	<b>180,195</b>
	Leader	0	0	220	<b>220</b>
<b>Total</b>		<b>334,845</b>	<b>229,427</b>	<b>86,224</b>	<b>720,496</b>

## 2.10 Treasury Management

2.10.1 The Council has managed its cash flows and adhered to its Treasury Management policy during the period to 31st July. 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 £0.290m on short-term investment interest for 2023/24. The Bank of England base interest rate was 4.25% on 1st April 2023, and was subsequently increased by 0.25% in May, 0.50% in June 2023. The base rate was therefore 5.00% at the end of the period. A further increase of 0.25% was made in August 2023. The increase in base rate has fed through into increased market returns for short-term deposits, we have therefore reported a favourable variance of £0.210m which means it is likely that the revised income budget of £0.500m will be achieved in 2023/24. This forecast is included within the variations reported in Corporate Costs, appendix 4.

## 2.11 Staff Vacancy Monitoring

2.11.1 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 July 2023 with a detailed analysis by service within appendices 1 to 3.

Committee	No of Vacancies
General Public Services & Economic Development	15
Climate Change, Leisure & Community	2
Policy & Resources	14
<b>Total</b>	<b>31</b>

2.11.2 The percentage of vacant posts at the end of the first quarter is 8.56% 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

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 2023/24, 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 31 July 2023:

Variance	2023/24 £	2024/25 £	2025/26 £
<b>Revenue</b> - (Favourable)/ Unfavourable	1,127,437	873,184	873,184
<b>Capital</b> - Increase / (Decrease)	84,262	296,024	(24,500)

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?	Yes
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 6 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 6 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 2023

## **APPENDICES / ATTACHMENTS**

- Appendix 1 General Public Services and Economic Development 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 Community 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 Budgetary risks
- Appendix 7 Reserves Forecast 2023/24