

## Corporate costs Medium Term Revenue Budget

| Corporate Costs              | Original Budget 2023/24<br>£ | Latest Budget 2023/24<br>£ | Forecast Budget 2023/24 | Spend to Date<br>£ | Forecast Outturn 2023/24<br>£ | Variance @ P6<br>£ | Forecast 2024/25<br>£ | Forecast 2025/26<br>£ | Officer Comments                      |
|------------------------------|------------------------------|----------------------------|-------------------------|--------------------|-------------------------------|--------------------|-----------------------|-----------------------|---------------------------------------|
| Interest Earned              | (670,000)                    | (670,000)                  | (780,000)               | (414,229)          | (780,000)                     | 0                  | (660,000)             | (660,000)             | Budget will be spent                  |
| Interest Paid                | 682,989                      | 682,989                    | 573,639                 | 93,030             | 573,639                       | 0                  | 698,989               | 698,989               | Budget will be spent                  |
| Parish Precepts              | 2,386,783                    | 2,386,783                  | 2,386,783               | 2,386,783          | 2,386,783                     | 0                  | 2,434,520             | 2,483,220             | Paid half yearly in April & September |
| <b>Total Corporate Costs</b> | <b>2,399,772</b>             | <b>2,399,772</b>           | <b>2,180,422</b>        | <b>2,065,584</b>   | <b>2,180,422</b>              | <b>0</b>           | <b>2,473,509</b>      | <b>2,522,209</b>      |                                       |

## Funding the Capital Investment Programme

## CAPITAL INVESTMENT PROGRAMME 2023-2026 - FUNDING

| Capital Programme                                     | 2023/24            |                    |                        | 2024/25            | 2025/26            |
|---|--------------------|--------------------|------------------------|--------------------|--------------------|
|   | Original Budget    | Latest Budget      | Outturn Forecast at P4 | Forecast           | Forecast           |
|   | £                  | £                  | £                      | £                  | £                  |
| <b>Balance Brought Forward</b>                        |                    |                    |                        |                    |                    |
| Govt Grants: Disabled Facility Grants                 | (1,063,531)        | (1,063,531)        | (1,063,531)            | (1,063,531)        | (1,063,531)        |
| Section 106 Contributions                             | (1,489,612)        | (1,489,612)        | (1,489,612)            | (1,342,221)        | (1,342,221)        |
| Capital Receipts Reserve                              | 0                  | 0                  | 0                      | 0                  | 0                  |
| Future Capital Expenditure Reserve                    | 0                  | 0                  | 0                      | 0                  | 0                  |
| New Homes Bonus Reserve                               | (222,787)          | (222,787)          | (222,787)              | 0                  | 0                  |
| <b>Total Funding Brought Forward</b>                  | <b>(2,775,930)</b> | <b>(2,775,930)</b> | <b>(2,775,930)</b>     | <b>(2,405,752)</b> | <b>(2,405,752)</b> |
| <b>Generated in the Year</b>                          |                    |                    |                        |                    |                    |
| Govt Grants: Disabled Facility Grants                 | (586,000)          | (665,264)          | (665,264)              | (586,000)          | (586,000)          |
| Section 106 Contributions                             | 0                  | (68,397)           | (68,397)               | 0                  | 0                  |
| Capital Receipts Reserve                              | (1,100,000)        | (1,100,000)        | (1,100,000)            | (1,000,000)        | (1,000,000)        |
| Future Capital Expenditure Reserve                    |                    | 0                  | 0                      | 0                  | 0                  |
| New Homes Bonus Reserve                               | (110,247)          | (110,247)          | (110,247)              | (95,000)           | (95,000)           |
| <b>Total Generated</b>                                | <b>(1,796,247)</b> | <b>(1,943,908)</b> | <b>(1,943,908)</b>     | <b>(1,681,000)</b> | <b>(1,681,000)</b> |
| <b>Use of Funding</b>                                 |                    |                    |                        |                    |                    |
| Govt Grants: Disabled Facility Grants                 | 586,000            | 665,264            | 665,264                | 586,000            | 586,000            |
| Section 106 Contributions                             | 0                  | 0                  | 215,788                | 0                  | 0                  |
| CIL Contributions                                     | 929,779            | 929,779            | 929,779                | 320,524            | 0                  |
| Capital Receipts Reserve                              | 1,100,000          | 1,100,000          | 1,100,000              | 1,000,000          | 1,000,000          |
| Local Authority Housing Fund                          | 0                  | 0                  | 4,491,613              | 0                  | 0                  |
| Future Capital Expenditure Reserve                    | 0                  | 0                  | 0                      | 0                  | 0                  |
| New Homes Bonus Reserve                               | 333,034            | 333,034            | 333,034                | 95,000             | 95,000             |
| Borrowing   | 1,653,665          | 12,544,147         | 12,287,539             | 1,852,758          | 1,717,590          |
| <b>Total Use of Funding</b>                           | <b>4,602,478</b>   | <b>15,572,224</b>  | <b>20,023,017</b>      | <b>3,854,282</b>   | <b>3,398,590</b>   |
| <b>Balance Carried Forward</b>                        |                    |                    |                        |                    |                    |
| Govt Grants: Disabled Facility Grants                 | (1,063,531)        | (1,063,531)        | (1,063,531)            | (1,063,531)        | (1,063,531)        |
| Section 106 Contributions                             | (1,489,612)        | (1,558,009)        | (1,342,221)            | (1,342,221)        | (1,342,221)        |
| Capital Receipts Reserve                              | 0                  | 0                  | 0                      | 0                  | 0                  |
| Future Capital Expenditure Reserve                    | 0                  | 0                  | 0                      | 0                  | 0                  |
| New Homes Bonus Reserve                               | 0                  | 0                  | 0                      | 0                  | 0                  |
| <b>Total Funding Carried Forward</b>                  | <b>(2,553,143)</b> | <b>(2,621,540)</b> | <b>(2,405,752)</b>     | <b>(2,405,752)</b> | <b>(2,405,752)</b> |
| <b>Total Expenditure Capital Investment Programme</b> | <b>4,602,478</b>   | <b>15,572,224</b>  | <b>20,023,017</b>      | <b>3,854,282</b>   | <b>3,398,590</b>   |

## Medium Term Financial Plan 2023-2026

| Funding  | 2023/2024           |                     |                     |                     | 2024/25             | 2025/26             |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|  | Original            | Latest Budget       | Previous Forecast   | Latest Forecast     | Forecast            | Forecast            |
| Council Tax Base (No.)   | 39,545.20           | 39,545.20           | 39,545.20           | 39,545.20           | 39,940.70           | 40,340.10           |
| <b>Council Tax Base Increase (%)</b>                                   | 0.00                | 0.00                | 0.00                | 0.00                | 0.99                | 0.99                |
| Band D Council Tax (£)   | 194.55              | 194.55              | 194.55              | 194.55              | 200.37              | 205.37              |
| <b>Council Tax Increase - TRDC (%)</b>                                 | 0.00                | 0.00                | 0.00                | 0.00                | 2.99                | 2.50                |
| Council Tax (£)  | (7,693,519)         | (7,693,519)         | (7,693,519)         | (7,693,519)         | (8,002,918)         | (8,284,646)         |
| <i>Parish Precepts (£)</i>   | <i>(2,386,783)</i>  | <i>(2,386,783)</i>  | <i>(2,386,783)</i>  | <i>(2,386,783)</i>  | <i>(2,434,520)</i>  | <i>(2,483,220)</i>  |
| <b>Total Taxation (£)</b>  | <b>(10,080,302)</b> | <b>(10,080,302)</b> | <b>(10,080,302)</b> | <b>(10,080,302)</b> | <b>(10,437,438)</b> | <b>(10,767,866)</b> |
| Business Rates (£)   | (2,679,928)         | (2,679,928)         | (2,679,928)         | (2,679,928)         | (2,818,907)         | (2,468,907)         |
| Collection Fund Surplus (£)  | (44,341)            | (44,341)            | (44,341)            | (44,341)            | 0                   | 0                   |
| New Homes Bonus Grant (£)  | (18,480)            | (18,480)            | (18,480)            | (18,480)            | (95,000)            | (95,000)            |
| Government Funding (£)   | (534,445)           | (534,445)           | (534,445)           | (534,445)           | (154,495)           | (154,495)           |
| Dividend (£)   | (50,000)            | (50,000)            | (50,000)            | (50,000)            | (50,000)            | (50,000)            |
| <b>Total Grant Funding (£)</b>   | <b>(3,327,194)</b>  | <b>(3,327,194)</b>  | <b>(3,327,194)</b>  | <b>(3,327,194)</b>  | <b>(3,118,402)</b>  | <b>(2,768,402)</b>  |
| <b>Total Taxation &amp; Grant Funding (£)</b>                          | <b>(13,407,496)</b> | <b>(13,407,496)</b> | <b>(13,407,496)</b> | <b>(13,407,496)</b> | <b>(13,555,840)</b> | <b>(13,536,269)</b> |
|  |                     |                     |                     |                     |                     |                     |
| Financial Statement - Summary  | 2023/2024           |                     |                     |                     | 2024/25             | 2025/26             |
|  | Original            | Latest Budget       | Previous Forecast   | Latest Forecast     | Forecast            | Forecast            |
|  | £                   | £                   | £                   | £                   | £                   | £                   |
| <b>Committee - Net Cost Of Services</b>                                |                     |                     |                     |                     |                     |                     |
| General Public Services and Economic Development                       | 3,886,824           | 4,151,941           | 4,480,484           | 4,480,484           | 3,979,814           | 3,972,283           |
| Climate Change, Leisure and Community                                  | 2,441,726           | 2,536,312           | 2,554,312           | 2,554,312           | 2,372,890           | 2,372,890           |
| Policy and Resources   | 5,026,223           | 5,477,536           | 6,157,536           | 6,157,536           | 5,925,367           | 5,868,641           |
| <b>Period 6 Variances</b>  | 0                   | 0                   | 0                   | (318,851)           | (73,065)            | (73,065)            |
| <b>Sub-Total</b>   | <b>11,354,773</b>   | <b>12,165,789</b>   | <b>13,192,332</b>   | <b>12,873,481</b>   | <b>12,205,006</b>   | <b>12,140,749</b>   |
| <b>Other</b>   |                     |                     |                     |                     |                     |                     |
| Parish Precepts  | 2,386,783           | 2,386,783           | 2,386,783           | 2,386,783           | 2,434,520           | 2,483,220           |
| Interest Payable & Borrowing costs                                     | 682,989             | 682,989             | 573,639             | 573,639             | 698,989             | 698,989             |
| Interest Received  | (670,000)           | (670,000)           | (780,000)           | (780,000)           | (660,000)           | (660,000)           |
| <b>Budget Variations</b>   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   |
| <b>Sub-Total</b>   | <b>2,399,772</b>    | <b>2,399,772</b>    | <b>2,180,422</b>    | <b>2,180,422</b>    | <b>2,473,509</b>    | <b>2,522,209</b>    |
| <b>Net Expenditure</b>   | <b>13,754,545</b>   | <b>14,565,561</b>   | <b>15,372,754</b>   | <b>15,053,903</b>   | <b>14,678,515</b>   | <b>14,662,958</b>   |
| <b>Income from Council Tax, Government Grants &amp; Business Rates</b> | <b>(13,407,496)</b> | <b>(13,407,496)</b> | <b>(13,407,496)</b> | <b>(13,407,496)</b> | <b>(13,555,840)</b> | <b>(13,536,269)</b> |
| <b>(Surplus)/Deficit Before Use of Earmarked Reserves</b>              | <b>347,049</b>      | <b>1,158,065</b>    | <b>1,965,258</b>    | <b>1,646,407</b>    | <b>1,122,675</b>    | <b>1,126,689</b>    |
| <b>Planned Use of Reserves:</b>  |                     |                     |                     |                     |                     |                     |
| Economic Impact Reserve  | 0                   | 0                   | 0                   | (182,840)           | (147,587)           | (147,587)           |
| <b>(Surplus) / Deficit to be funded from General Balances</b>          | <b>347,049</b>      | <b>1,158,065</b>    | <b>1,965,258</b>    | <b>1,463,567</b>    | <b>975,088</b>      | <b>979,102</b>      |

| Movement on General Fund Balance          | 2023/24            |                    |                    |                    | 2024/25            | 2025/26            |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|   | Original           | Latest Budget      | Forecast Budget    | Outturn            | Latest             | Latest             |
|   | £                  | £                  | £                  | £                  | £                  | £                  |
| Balance Brought Forward at 1 April        | (4,966,958)        | (4,966,958)        | (4,966,958)        | (4,966,958)        | (3,503,391)        | (2,528,303)        |
| Revenue Budget (Surplus)/Deficit for Year | 347,049            | 1,158,065          | 1,965,258          | 1,463,567          | 975,088            | 979,102            |
| <b>Closing Balance at 31 March</b>        | <b>(4,619,909)</b> | <b>(3,808,893)</b> | <b>(3,001,700)</b> | <b>(3,503,391)</b> | <b>(2,528,303)</b> | <b>(1,549,201)</b> |

| Movement on Economic Impact        | 2023/24            |                    |                    |                    | 2024/25            | 2025/26            |
|------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|                                    | Original           | Latest Budget      | Forecast Budget    | Outturn            | Latest             | Latest             |
|                                    | £                  | £                  | £                  | £                  | £                  | £                  |
| Balance Brought Forward at 1 April | (1,617,617)        | (1,617,617)        | (1,617,617)        | (1,617,617)        | (1,434,777)        | (1,287,190)        |
| COVID-19 Impact for Year           | 0                  | 0                  | 0                  | 182,840            | 147,587            | 147,587            |
| <b>Closing Balance at 31 March</b> | <b>(1,617,617)</b> | <b>(1,617,617)</b> | <b>(1,617,617)</b> | <b>(1,434,777)</b> | <b>(1,287,190)</b> | <b>(1,139,603)</b> |

| Total Reserves Impact              | 2023/24            |                    |                    |                    | 2024/25            | 2025/26            |
|------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|                                    | Original           | Latest Budget      | Forecast Budget    | Outturn            | Latest             | Latest             |
|                                    | £                  | £                  | £                  | £                  | £                  | £                  |
| Balance Brought Forward at 1 April | (6,584,575)        | (6,584,575)        | (6,584,575)        | (6,584,575)        | (4,938,168)        | (3,815,493)        |
| Impact for Year                    | 347,049            | 1,158,065          | 1,965,258          | 1,646,407          | 1,122,675          | 1,126,689          |
| <b>Closing Balance at 31 March</b> | <b>(6,237,526)</b> | <b>(5,426,510)</b> | <b>(4,619,317)</b> | <b>(4,938,168)</b> | <b>(3,815,493)</b> | <b>(2,688,804)</b> |

|                       |                    |                    |                    |                    |                    |                    |
|-----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Total Reserves</b> | <b>(6,237,526)</b> | <b>(5,426,510)</b> | <b>(4,619,317)</b> | <b>(4,938,168)</b> | <b>(3,815,493)</b> | <b>(2,688,804)</b> |
|-----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|

## Reserves Forecast 2023/24

| Category                            | Opening Balance<br>01/04/2023<br>£ | Net Movement<br>in Year<br>£ | Closing Balance<br>31/03/2024<br>£ | Purpose  |
|-------------------------------------|------------------------------------|------------------------------|------------------------------------|--|
| <b>General Reserves</b>             |                                    |                              |                                    |  |
| General Fund                        | (4,966,958)                        | 1,463,567                    | (3,503,391)                        | Working balance to support the Council's revenue services. £2M is a suggested prudent minimum                  |
| Economic Impact (EIR)               | (1,617,617)                        | 182,840                      | (1,434,777)                        | To support the funding of unexpected/unplanned Council expenditure as a result of fluctuations in the economy. |
| <b>Total Revenue</b>                | <b>(6,584,575)</b>                 | <b>1,646,407</b>             | <b>(4,938,168)</b>                 |  |
| <b>Capital Reserves</b>             |                                    |                              |                                    |  |
| Community Infrastructure Levy (CIL) | (7,472,714)                        | (1,448,385)                  | (8,921,099)                        | Developers contributions towards Infrastructure  |
| Capital Receipts                    | 0                                  | (6,756)                      | (6,756)                            | Generated from sale of Council assets  |
| Grants & Contributions              | (1,095,321)                        | (904,326)                    | (1,999,647)                        | Disabled Facility Grants and other contributions   |
| Reserve for Capital expenditure     | 0                                  | 0                            | 0                                  | Reserve set aside for supporting capital expenditure   |
| <b>Total Capital</b>                | <b>(8,568,035)</b>                 | <b>(2,359,467)</b>           | <b>(10,927,502)</b>                |  |
| <b>Other Earmarked Reserves</b>     |                                    |                              |                                    |  |
| New Homes Bonus                     | (222,787)                          | 0                            | (222,787)                          | Government grant set aside for supporting capital expenditure  |
| Section 106                         | (1,489,612)                        | (103,610)                    | (1,593,222)                        | Developers contributions towards facilities  |
| Leavesden Hospital Open Space       | (769,124)                          | 0                            | (769,124)                          | To maintain open space on the ex hospital site   |
| Abbots Langley - Horsefield         | (809,667)                          | 0                            | (809,667)                          | Developers contributions towards maintenance of site   |
| Environmental Maintenance Plant     | (123,595)                          | 0                            | (123,595)                          | Reserve to fund expenditure on plant & machinery   |
| Building Control                    | (243,290)                          | 0                            | (243,290)                          | To provide against future losses and/or borrowing against Hertfordshire Building Control Ltd                   |
| Commercial Risk Reserve             | (6,948,354)                        | 0                            | (6,948,354)                        | To manage timing of cashflows and risks in relation to commercial ventures                                     |
| Collection Fund Reserve             | (3,059,242)                        | 0                            | (3,059,242)                        | To manage timing differences on the Collection Fund  |
| HB Equalisation                     | (79,356)                           | 0                            | (79,356)                           | To provide against future deficits on the Housing Benefit account  |
| Grants & Contributions              | (1,244,951)                        | 0                            | (1,244,951)                        | Revenue Grants earmarked for use in future years   |
| <b>Total Other</b>                  | <b>(14,989,978)</b>                | <b>(103,610)</b>             | <b>(15,093,588)</b>                |  |
| <b>Total All</b>                    | <b>(30,142,588)</b>                | <b>(816,670)</b>             | <b>(30,959,258)</b>                |  |

## Budgetary Risks

| Date risk added to register | Risk ref | Risk owner          | Category  | Risk description   | Comment  | Likelihood score (inherent) | Impact score (inherent) | Inherent risk score | Risk controls  | Risk control owners           | Likelihood score (residual) | Impact score (residual) | Residual risk score | Risk direction | Action plan   | Action plan owners                | Action plan completion dates |
|-----------------------------|----------|---------------------|-----------|--|--|-----------------------------|-------------------------|---------------------|--|-------------------------------|-----------------------------|-------------------------|---------------------|----------------|---|-----------------------------------|------------------------------|
| Sep-15                      | FIN07    | Director of Finance | Strategic | The Medium term financial position worsens.  | In that the general fund balance falls below the minimum prudent threshold and capital funding is insufficient to meet the capital programme. This appears as item no.8 in the Council's strategic risk register.                                    | 4                           | 4                       | 16                  | The Council has a robust financial management framework which includes regular budget monitoring reports to committees; Budgetary and Financial Risk Register reviewed and updated as part of the budget monitoring process; identification of budgetary pressure when reviewing the medium term financial plan during the budget setting process; Audited Statement of Accounts, including Annual Governance Statement. Currently the 2019/20 annual accounts are awaiting sign off from the external auditors and 2020/21 annual accounts are well progressed. | Head of Finance               | 3                           | 2                       | 6                   | ➡              | Regular budget monitoring reports to committees; Budgetary and Financial Risk Register reviewed and updated as part of the budget monitoring process; identification of budgetary pressure when reviewing the medium term financial plan during the budget setting process which includes a risk assessment for the prudent level of general balances and an assessment of financial resilience with reference to the CIPFA Financial resilience index. | Heads of Service/ Head of Finance | Continuous                   |
| Apr-06                      | FIN08    | Director of Finance | Budgetary | The pay award exceeds estimates included in the MTFP resulting in unplanned and unsustainable use of reserves.                                     | The Council's 3 year Medium term Financial Strategy includes forecast pay awards for the next three years.   | 4                           | 3                       | 12                  | Maintain reserves to guard against risk. Early identification of new pressures through Budget Monitoring.  | Head of Finance               | 3                           | 2                       | 6                   | ⬆              | The Council's 3 year Medium term Financial Strategy includes forecast pay awards for the next three years. The Council maintains reserves to guard against risk including setting a prudent minimum level for general balances. Early identification of new pressures through Budget Monitoring enable the Council to take steps to bring the budget back into balance.   | Head of Finance                   | Continuous                   |
| Apr-06                      | FIN09    | Director of Finance | Budgetary | Other inflationary increases exceed estimates included in the MTFP resulting in unplanned and unsustainable use of reserves.                       | Other than contractual agreements, budgets are cash limited where possible and budget managers are expected to manage increases within existing budgets.   | 3                           | 3                       | 9                   | Monitor future inflation projections. Actively manage budgets to contain inflation. Maintain reserves.   | Service Heads/Head of Finance | 3                           | 2                       | 6                   | ⬆              | Monitor future inflation projections. Actively manage budgets and contracts to contain inflation. The Council maintains reserves to guard against risk including setting a prudent minimum level for general balances. Early identification of new pressures through Budget Monitoring enable the Council to take steps to bring the budget back into balance.  | Head of Finance                   | Continuous                   |
| Jan-15                      | FIN10    | Director of Finance | Budgetary | Interest rates increase or decrease resulting in significant variations in estimated interest income (investments) or interest expense (borrowing) | The interest rate has a significant impact on the proceeds from capital receipts and other earmarked reserves that are invested in the money market. The volatility of the global economy continues to place uncertainty on the investment strategy. | 3                           | 3                       | 9                   | The Council has a Treasury Management Strategy which is reviewed annually. PIB strategy has diversified interest rate risk to provide income security.   | PIB/Head of Finance           | 3                           | 3                       | 9                   | ➡              | The Audit Committee receives two reports per year on Treasury Management activity and interest income and expenditure is monitored through the Budget Monitoring Report.  | PIB                               | Continuous                   |

| Date risk added to register | Risk ref | Risk owner          | Category  | Risk description  | Comment  | Likelihood score (inherent) | Impact score (inherent) | Inherent risk score | Risk controls   | Risk control owners           | Likelihood score (residual) | Impact score (residual) | Residual risk score | Risk direction | Action plan  | Action plan owners       | Action plan completion dates |
|-----------------------------|----------|---------------------|-----------|---|--|-----------------------------|-------------------------|---------------------|---|-------------------------------|-----------------------------|-------------------------|---------------------|----------------|--|--------------------------|------------------------------|
| Apr-06                      | FIN11    | Director of Finance | Budgetary | Inaccurate estimates of fees and charges income and / or estimates of cost of delivering chargeable services result in budgetary pressure.                  | A budget pressure is created due to income shortfalls or increased expenditure   | 3                           | 2                       | 6                   | Budget levels realistically set and closely scrutinised   | Service Heads/Head of Finance | 2                           | 2                       | 4                   | ➡              | Fees and charges, including and surplus or loss are monitored through budget monitoring with key income streams reported to CMT.   | Service Heads            | Continuous                   |
| Apr-06                      | FIN12    | Director of Finance | Budgetary | The Council loses the ability to recover VAT as a result of exceeding the partial exemption threshold resulting in budgetary pressure.                      | If the council's expenditure on functions for which it receives income that is exempt for VAT purposes exceeds 5% of its total vatatable expenditure, then the Council may lose its ability to recover VAT on all of its exempt inputs. This is mitigated by close monitoring of exempt supplies and prudent VAT planning. The Council elects to tax on development schemes. | 2                           | 4                       | 8                   | VAT Planning and opt to tax on schemes. VAT advisers employed.  | Head of Finance               | 1                           | 4                       | 4                   | ➡              | Partial Exemption Review is undertaken annually with support provided by the Council's external tax advisors, PS Tax. The Council continue to opt to tax land where appropriate. | Head of Finance          | Continuous                   |
| Dec-13                      | FIN13    | Director of Finance | Budgetary | The estimated cost reductions and additional income gains set out in the MTFP are not achieved resulting in an unplanned and unsustainable use of reserves. | Savings identified and included in the budget will be monitored as part of the budget monitoring process. See fees and charges above. MTFP agreed for next three years.  | 2                           | 3                       | 6                   | Service Heads to take responsibility for achieving savings. Budget monitoring to highlight any issues to allow corrective action to be taken. | Service Heads/Head of Finance | 2                           | 2                       | 4                   | ➡              | Budget process to clearly identify savings to be achieved and ensure clarity over responsibility over delivery. Savings to be challenged.  | Head of Finance          | Continuous                   |
| Apr-06                      | FIN14    | Director of Finance | Budgetary | The Council is faced with potential litigation and other employment related risks   | The Council has no outstanding litigation cases.   | 2                           | 3                       | 6                   | Council procedures are adhered to   | Solicitor to the Council      | 1                           | 3                       | 3                   | ➡              | Adherence to council procedures to be monitored and procedures maintained.   | Solicitor to the Council | ongoing                      |

| Date risk added to register | Risk ref | Risk owner          | Category  | Risk description  | Comment   | Likelihood score (inherent) | Impact score (inherent) | Inherent risk score | Risk controls  | Risk control owners       | Likelihood score (residual) | Impact score (residual) | Residual risk score | Risk direction | Action plan  | Action plan owners                   | Action plan completion dates |
|-----------------------------|----------|---------------------|-----------|---|---|-----------------------------|-------------------------|---------------------|--|---------------------------|-----------------------------|-------------------------|---------------------|----------------|--|--------------------------------------|------------------------------|
| Dec-13                      | FIN18    | Director of Finance | Budgetary | Business Rates Retention fluctuates impacting on the amount of funding received by the Council. | From April 2020 the system was due to be subject to reset and increase to 75% retention resulting in a loss of growth. This has been further postponed to 2025/26. However, the significant revaluations for 2023 introduce additional risk of appeals which could result in a reduction to income. | 3                           | 4                       | 12                  | Maintain reserves against risk.  | Head of Finance           | 3                           | 3                       | 9                   | →              | Hertfordshire CFOs continue to work with LG Futures to assess the impact on individual Councils in Hertfordshire and the impact on the ability to create a business rate pool for 2024/25. The scale of appeals is still unknown but this is likely to become clearer over the next 24 months as transitional relief reduces for businesses impacted by the increases in rateable value. | Director of Finance                  | Continuous                   |
| Jul-16                      | FIN20    | Director of Finance | Budgetary | Failure of ICT systems  | The Council's integrated Financial Management System (FMS) is held on an ICT platform. If this were to fail then potentially there will be a loss of functionality occurring during any downtime.   | 3                           | 2                       | 6                   | System migrated to latest version. Payments system updated.  | Head of Finance           | 1                           | 2                       | 2                   | →              | Monitor reliability  | Head of Finance                      | Continuous                   |
| Mar-18                      | FIN21    | Director of Finance | Budgetary | Property Investment   | The Property Investment Board manage its property portfolio in order to secure additional income to support its general fund.   | 2                           | 3                       | 6                   | Portfolio to be actively managed to maintain income levels. Income to be reviewed regularly when MTFP is updated.  | Head of Property Services | 1                           | 3                       | 3                   | →              | PIB to assume responsibility for ongoing oversight.  | Head of Property Services            | Continuous                   |
| Sep-18                      | FIN23    | Director of Finance | Budgetary | Commercial Investment   | The Council has limited options to further improve self sustainability through commercial investment following changes to the the Prudential Code for Capital Finance and changes to PWLB borrowing regulations. Currently there is a   | 3                           | 2                       | 6                   | Oversight mechanisms to be put in place to ensure oversight by PIB or similar mechanism. Council to determine approach to risk and level of income dependency within budget. | Head of Finance           | 2                           | 2                       | 4                   | →              | Monitor new developments. Investments overseen by the cross party Shareholder and Commercial Ventures Panel.   | Head of Property Services            | Continuous                   |
| Nov-19                      | FIN 24   | Director of Finance | Service   | Loss of Key Personnel   | As the Council becomes more complex in its financial arrangements, key skills become more important.  | 3                           | 4                       | 12                  | Improve depth of skills and knowledge. Bring in temporary additional resources as necessary.   | Head of Finance           | 1                           | 3                       | 3                   | →              | Following a revision of job descriptions, minor amendments to the structure, and a successful recruitment campaign during 2022/23, the Finance team is currently fully staffed. All staff have an annual Personal Development Review which contains smart objectives including objectives related to career development and identification of training needs and opportunities.          | Chief Executive/ Director of Finance | Continuous                   |