

Corporate costs Medium Term Revenue Budget

Corporate Costs	Original Budget 2023/24	Original Budget Plus 2022/23 Carry Forwards	Latest Budget 2023/24	Previous Forecast 2023/24	Spend to Date	Latest Forecast 2023/24	Variance @ P10	Forecast 2024/25	Forecast 2025/26	Forecast 2026/27	Officer Comments
	£	£	£		£	£	£	£	£	£	
Interest Earned	(670,000)	(670,000)	(670,000)	(1,174,191)	(1,069,345)	(1,374,191)	(200,000)	(760,000)	(660,000)	(660,000)	Increased income due to current interest rates
Interest Paid	682,989	682,989	682,989	606,256	93,030	606,256	0	715,606	755,266	741,766	Budget will be spent
Parish Precepts	2,386,783	2,386,783	2,386,783	2,386,783	2,386,783	2,386,783	0	2,434,520	2,483,220	2,483,220	Paid half yearly in April & September
Total Corporate Costs	2,399,772	2,399,772	2,399,772	1,818,848	1,410,468	1,618,848	(200,000)	2,390,126	2,578,486	2,564,986	

Funding the Capital Investment Programme

CAPITAL INVESTMENT PROGRAMME 2023-2027 - FUNDING

Capital Programme	2023/24			2024/25	2025/26	2026/27
	Original Budget	Latest Budget	Outturn Forecast at P10	Forecast	Forecast	Forecast
	£	£	£	£	£	£
Balance Brought Forward						
Govt Grants: Disabled Facility Grants	(1,063,531)	(1,063,531)	(1,121,582)	(1,179,633)	(1,179,633)	(1,179,633)
Section 106 Contributions	(1,489,612)	(1,489,612)	(1,489,612)	(1,539,656)	(1,539,656)	(1,539,656)
Capital Receipts Reserve	0	0	0	0	0	0
Future Capital Expenditure Reserve	0	0	0	0	0	0
New Homes Bonus Reserve	(222,787)	(222,787)	(222,787)	0	0	0
Total Funding Brought Forward	(2,775,930)	(2,775,930)	(2,833,981)	(2,719,289)	(2,719,289)	(2,719,289)
Generated in the Year						
Govt Grants: Disabled Facility Grants	(586,000)	(723,315)	(723,315)	(586,000)	(586,000)	(586,000)
Section 106 Contributions	0	(265,832)	(265,832)	0	0	0
Capital Receipts Reserve	(1,100,000)	(1,100,000)	(1,100,000)	(1,000,000)	(1,000,000)	(1,000,000)
Future Capital Expenditure Reserve	0	0	0	0	0	0
New Homes Bonus Reserve	(110,247)	(110,247)	(110,247)	(100,025)	(95,000)	(95,000)
Total Generated	(1,796,247)	(2,199,394)	(2,199,394)	(1,686,025)	(1,681,000)	(1,681,000)
Use of Funding						
Govt Grants: Disabled Facility Grants	586,000	665,264	665,264	586,000	586,000	586,000
Section 106 Contributions	0	215,788	215,788	0	0	0
CIL Contributions	929,779	929,779	929,779	320,524	0	0
Capital Receipts Reserve	1,100,000	1,100,000	1,100,000	1,000,000	1,000,000	1,000,000
Local Authority Housing Fund	0	4,491,613	4,491,613	0	0	0
Future Capital Expenditure Reserve	0	0	0	0	0	0
New Homes Bonus Reserve	333,034	333,034	333,034	100,025	95,000	95,000
Borrowing	1,653,665	12,185,987	11,178,841	3,370,479	1,707,590	1,756,370
Total Use of Funding	4,602,478	19,921,465	18,914,319	5,377,028	3,388,590	3,437,370
Balance Carried Forward						
Govt Grants: Disabled Facility Grants	(1,063,531)	(1,121,582)	(1,179,633)	(1,179,633)	(1,179,633)	(1,179,633)
Section 106 Contributions	(1,489,612)	(1,539,656)	(1,539,656)	(1,539,656)	(1,539,656)	(1,539,656)
Capital Receipts Reserve	0	0	0	0	0	0
Future Capital Expenditure Reserve	0	0	0	0	0	0
New Homes Bonus Reserve	0	0	0	0	0	0
Total Funding Carried Forward	(2,553,143)	(2,661,238)	(2,719,289)	(2,719,289)	(2,719,289)	(2,719,289)
Total Expenditure Capital Investment Programme	4,602,478	19,921,465	18,914,319	5,377,028	3,388,590	3,437,370

Medium Term Financial Plan 2023-2026

Funding	2023/2024					2024/25	2025/26	2026/27
	Original	Original Budget plus Carry Forwards from 2022/23	Latest Budget	Previous Forecast	Latest Forecast	Forecast	Forecast	Forecast
Council Tax Base (No.)	39,545.20	39,545.20	39,545.20	39,545.20	39,545.20	39,850.80	40,249.30	40,651.80
Council Tax Base Increase (%)	0.00	0.00	0.00	0.00	0.00	0.77	0.99	0.99
Band D Council Tax (£)	194.55	194.55	194.55	194.55	194.55	200.37	206.36	212.53
Council Tax Increase - TRDC (%)	0.00	0.00	0.00	0.00	0.00	2.99	2.99	2.99
Council Tax (£)	(7,693,519)	(7,693,519)	(7,693,519)	(7,693,519)	(7,693,519)	(7,984,905)	(8,305,846)	(8,639,727)
Parish Precepts (£)	(2,386,783)	(2,386,783)	(2,386,783)	(2,386,783)	(2,386,783)	(2,500,591)	(2,500,591)	(2,500,591)
Total Taxation (£)	(10,080,302)	(10,080,302)	(10,080,302)	(10,080,302)	(10,080,302)	(10,485,496)	(10,806,437)	(11,140,318)
Business Rates (£)	(2,679,928)	(2,679,928)	(2,679,928)	(2,679,928)	(2,679,928)	(2,818,907)	(2,795,000)	(2,795,000)
Collection Fund Surplus (£)	(44,341)	(44,341)	(44,341)	(44,341)	(44,341)	84,870	0	0
New Homes Bonus Grant (£)	(18,480)	(18,480)	(18,480)	(18,480)	(18,480)	(100,025)	(95,000)	(95,000)
Government Funding (£)	(534,444)	(534,444)	(534,444)	(534,444)	(534,444)	(589,041)	(500,000)	(500,000)
Dividend (£)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
Total Grant Funding (£)	(3,327,193)	(3,327,193)	(3,327,193)	(3,327,193)	(3,327,193)	(3,473,103)	(3,440,000)	(3,440,000)
Total Taxation & Grant Funding (£)	(13,407,495)	(13,407,495)	(13,407,495)	(13,407,495)	(13,407,495)	(13,958,598)	(14,246,437)	(14,580,318)
Financial Statement - Summary	2023/2024					2024/25	2025/26	2026/27
	Original	Original Budget plus Carry Forwards from 2022/23	Latest Budget	Previous Forecast	Latest Forecast	Forecast	Forecast	Forecast
	£		£		£	£	£	£
Committee - Net Cost Of Services								
General Public Services and Economic Development	3,886,824	3,977,542	4,427,694	4,738,537	4,738,537	3,881,763	3,933,362	3,912,237
Climate Change, Leisure and Community	2,441,726	2,499,295	2,626,707	2,691,247	2,691,247	2,550,998	2,585,829	2,617,006
Policy and Resources	5,026,223	5,368,708	5,302,950	5,330,120	5,330,120	5,270,374	5,298,108	5,534,447
Period 10 Variances	0	0	0	0	376,731	0	0	0
Sub-Total	11,354,773	11,845,545	12,357,351	12,759,904	13,136,635	11,703,135	11,817,299	12,063,690
Other								
Parish Precepts	2,386,783	2,386,783	2,386,783	2,386,783	2,386,783	2,500,591	2,500,591	2,500,591
Interest Payable & Borrowing costs	682,989	682,989	682,989	606,256	606,256	715,606	755,266	741,766
Interest Received	(670,000)	(670,000)	(670,000)	(1,174,191)	(1,174,191)	(760,000)	(660,000)	(660,000)
Period 10 Variances	0	0	0	0	(200,000)	0	0	0
Sub-Total	2,399,772	2,399,772	2,399,772	1,818,848	1,618,848	2,456,197	2,595,857	2,582,357
Net Expenditure	13,754,545	14,245,317	14,757,123	14,578,752	14,755,483	14,159,332	14,413,156	14,646,047
Income from Council Tax, Government Grants & Business Rates	(13,407,495)	(13,407,495)	(13,407,495)	(13,407,495)	(13,407,495)	(13,958,598)	(14,246,437)	(14,580,318)
(Surplus)/Deficit Before Use of Earmarked Reserves	347,050	837,822	1,349,628	1,171,257	1,347,988	200,734	166,719	65,729
Planned Use of Reserves:								
Economic Impact Reserve	0	0	0	0	(182,840)	(147,587)	(147,587)	0
(Surplus) / Deficit to be funded from General Balances	347,050	837,822	1,349,628	1,171,257	1,165,148	53,147	19,132	65,729
Movement on General Fund Balance	2023/24					2024/25	2025/26	2026/27
	Original	Original Budget plus Carry Forwards from 2022/23	Latest Budget	Previous Forecast	Latest Forecast	Latest	Latest	Latest
	£		£		£	£	£	£
Balance Brought Forward at 1 April	(4,966,958)	(4,966,958)	(4,966,958)	(4,966,958)	(4,866,958)	(3,701,810)	(3,648,663)	(3,629,531)
Revenue Budget (Surplus)/Deficit for Year	347,050	837,822	1,349,628	1,171,257	1,165,148	53,147	19,132	65,729
Closing Balance at 31 March	(4,619,908)	(4,129,136)	(3,617,330)	(3,795,701)	(3,701,810)	(3,648,663)	(3,629,531)	(3,563,802)
Movement on Economic Impact	2023/24					2024/25	2025/26	2026/27
	Original	Original Budget plus Carry Forwards from 2022/23	Latest Budget	Previous Forecast	Latest Forecast	Latest	Latest	Latest
	£		£		£	£	£	£
Balance Brought Forward at 1 April	(1,617,617)	(1,617,617)	(1,617,617)	(1,617,617)	(1,617,617)	(1,434,777)	(1,287,190)	(1,139,603)
COVID-19 Impact for Year	0	0	0	0	182,840	147,587	147,587	0
Closing Balance at 31 March	(1,617,617)	(1,617,617)	(1,617,617)	(1,617,617)	(1,434,777)	(1,287,190)	(1,139,603)	(1,139,603)
Total Reserves Impact	2023/24					2024/25	2025/26	2026/27
	Original	Original Budget plus Carry Forwards from 2022/23	Latest Budget	Previous Forecast	Latest Forecast	Latest	Latest	Latest
	£		£		£	£	£	£
Balance Brought Forward at 1 April	(6,584,575)	(6,584,575)	(6,584,575)	(6,584,575)	(6,484,575)	(5,136,587)	(4,935,853)	(4,769,134)
Impact for Year	347,050	837,822	1,349,628	1,171,257	1,347,988	200,734	166,719	65,729
Closing Balance at 31 March	(6,237,525)	(5,746,753)	(5,234,947)	(5,413,318)	(5,136,587)	(4,935,853)	(4,769,134)	(4,703,405)
Total Reserves	(6,237,525)	(5,746,753)	(5,234,947)	(5,413,318)	(5,136,587)	(4,935,853)	(4,769,134)	(4,703,405)

Reserves Forecast 2023/24

Category	Opening Balance 01/04/2023 £	Net Movement in Year £	Closing Balance 31/03/2024 £	Purpose
General Reserves				
General Fund	(4,966,958)	1,165,148	(3,801,810)	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.
Total Revenue	(6,584,575)	1,347,988	(5,236,587)	
Capital Reserves				
Community Infrastructure Levy (CIL)	(7,472,714)	(1,645,690)	(9,118,404)	Developers contributions towards Infrastructure
Capital Receipts	0	(42,446)	(42,446)	Generated from sale of Council assets
Grants & Contributions	(1,095,321)	(1,011,545)	(2,106,866)	Disabled Facility Grants and other contributions
Reserve for Capital expenditure	0	0	0	Reserve set aside for supporting capital expenditure
Total Capital	(8,568,035)	(2,699,681)	(11,267,716)	
Other Earmarked Reserves				
New Homes Bonus	(222,787)	0	(222,787)	Government grant set aside for supporting capital expenditure
Section 106	(1,489,612)	(265,741)	(1,755,353)	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
Planning Reserve	0	(100,000)	(100,000)	To allow for conservation area appraisals, the local plan timetable to be accelerated and other planning advice
Total Other	(14,989,978)	(365,741)	(15,355,719)	
Total All	(30,142,588)	(1,717,434)	(31,860,022)	

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. The 2023-24 pay award has now been agreed at the level included in the current budget monitoring. Inflation is beginning to come down reducing pressure on next years	3	3	9	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 Council remains cash positive so is experiencing a short term benefit from higher interest rates. Over the longer term rates are expected to come down allowing the Council to borrow for future capital projects.	3	2	6	The Council has a Treasury Management Strategy which is reviewed annually. The Council is looking to lend out over a longer period to maximised the benefit from temporary higher rates..	Head of Finance	3	2	6	→	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 variable 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. MTFs 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 material 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