

**POLICY AND RESOURCES COMMITTEE – 24 JANUARY 2022**

**PART I - NOT DELEGATED**

**16. FINANCIAL PLANNING – REVENUE SERVICES**  
(DoF)

**1 Summary**

- 1.1 The purpose of this report is to enable the Policy and Resources Committee to recommend to the Council the medium term revenue budgets.
- 1.2 The report includes the budget monitoring information for the period to November 2021. The key changes from the original budget that was set in February 2021 are once again due to COVID-19. Income levels in parking and leisure, including SLM remain affected but were beginning to rebuild before Omnicrom hit giving us some confidence for 2022/23 and beyond. As a result of the pressure arising from COVID-19, the Council has continued to work hard on finding efficiencies within budgets to offset the impact and where these are ongoing they have been reflected in the MTFP.
- 1.3 The Government has once again postponed local government finance reforms, including New Homes Bonus, the business rate reset and 'Fair Funding'. The Council is likely to lose resources as a result of these changes so the overall position has improved as a result. The growth in the council tax base has been better than forecast, however the impact of COVID-19 on future growth remains uncertain so a prudent assumption has been made.
- 1.4 However this is only part of the story and inflation continues to be a concern with the pay award for 2021/22 yet to be settled and the public sector pay freeze abandoned by the Chancellor. On a more local level there are pressures related to filling vacancies, particularly at the Depot.
- 1.6 The table below summarises the key changes in the MTFP compared to that previously agreed. The detailed changes are set out in **Appendix 3** by Service Committee.

	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
<b>Budget Gap as per MTFP Approved Jan 2021</b>	<b>632</b>	<b>662</b>	<b>220</b>	<b>220</b>
<b>Changes in Net Expenditure:</b>				
Previously Agreed Changes through in year Budget Monitoring	705	263	258	258
Growth PIDs		131	131	131
Efficiency savings		(207)	(216)	(216)
Contingency for Pay Award and National Living Wage		320	595	870
Additional Income from Joint Ventures and Investments		(280)	(364)	(354)
Fees and Charges Budget Uplift		(161)	(161)	(161)
Other Service Variances reported in this report	(129)	50	74	74
<b>Total Changes in Net Expenditure:</b>	<b>576</b>	<b>116</b>	<b>317</b>	<b>602</b>
<b>Changes in Taxation and Grant Funding:</b>				
Council Tax - growth in base		(55)	(57)	(294)
Business Rates		(264)	86	86
Council Tax Collection Fund Deficit		3		
New Homes Bonus		(15)		
Grant Funding		(107)	31	31
<b>Total Changes in Taxation and Grant Funding</b>	<b>0</b>	<b>(438)</b>	<b>60</b>	<b>(177)</b>
<b>Revised Gap</b>	<b>1,209</b>	<b>340</b>	<b>596</b>	<b>645</b>
<b>Change</b>	<b>576</b>	<b>(322)</b>	<b>377</b>	<b>425</b>

## 2 Details

2.1 Officers have prepared a three-year Medium Term Financial Plan (MTFP) base budget for 2022 – 2025 which includes a revised estimate for the current year. This is attached at **Appendix 1**.

### 2021/22 Forecast Position

2.2 The original net revenue budget for 2021/22 was **£12.759 million**. The latest approved budget is **£13.465 million** (approved by Council on 14 December 2021). The increase in budget approved to date has largely been due to the impact of COVID-19, including loss income from the Leisure Contract Management fee. The table below shows the approved changes to date and the variances reported for this period (end of November) to give a forecast outturn position of **£13.335 million**.

Net Revenue Budget 2021/22	£000
<b>Original Net Revenue Budget</b>	<b>12,759</b>
Variances Previously Reported	705
<b>Latest Approved Budget</b>	<b>13,464</b>
Service Variances Reported This Period	(129)
<b>Forecast Outturn position</b>	<b>13,335</b>

2.3 The position reported is based on activity to the end of November 2021. This means that the forecast does not take account of the impact of increased COVID cases during December, arising from the spread of the Omicron variant. Direct impacts on the Council's financial position include the cancellation of the pantomime at Watersmeet in late December 2021. Further information will be reported in the Period 10 Budget Management report in March.

2.4 At the end of November, Services show an estimated favourable variance of **(£0.129 million)**. The budget will be changed to reflect this outturn forecast if approved at Council.

2021/22 Revenue Account – General Fund Summary					
Service Area	Original Budget	Latest Budget	Net Spend to Period 8	Forecast Outturn	Variance
	£000	£000	£000	£000	£000
Leisure, Environment and Community	4,419	5,533	198	5,398	(135)
Infrastructure, Housing and Economic Development	1,504	1,782	(40)	1,755	(27)
Policy & Resources	4,790	4,053	(82)	4,086	33
<b>Total Services</b>	<b>10,713</b>	<b>11,368</b>	<b>76</b>	<b>11,239</b>	<b>(129)</b>
Corporate Costs (Interest, Parish precepts)	2,046	2,096	2,688	2,096	0
<b>Net General Fund</b>	<b>12,759</b>	<b>13,464</b>	<b>2,764</b>	<b>13,335</b>	<b>(129)</b>

2.5 **Appendix 2** details each service committee's net direct revenue budgets over the medium term. The table below shows the net direct expenditure budgets, actuals to date, forecast outturn and variance for each service committee.

2.6 The main items that contribute to the net favourable services variance of £0.129 million are;

		£000
1.	Salary Changes –predominantly due to vacancies	(37)
2.	Homelessness - Reduced use of nightly lets	(25)
3.	Watersmeet – Receipt of £63.5k grant funding of which a proportion has been redistributed to expenditure codes as per the eligibility criteria	(18)
4.	Income for Services provided to West Herts Crematorium under SLA	(38)
5.	<b>Other</b>	(11)
	<b>Total</b>	<b>(129)</b>

The details of all the service variances over the medium term are shown at **Appendix 3**

### 2022/23 - 2024/25 - The Medium Term Financial Plan (MTFP)

- 2.7 Looking ahead over the next three years, the MTFP has been prepared against the continued backdrop of reduced government funding, increasing pressure on services and continuing expectations from stakeholders for service provision while also factoring in the ongoing impact of COVID-19.
- 2.8 The Provisional Local Government Settlement, which provides details of central government funding to local authorities, was published on 16 December. This was a one year settlement providing detailed funding information for 2022/23 only. This means that funding beyond 2022/23 remains uncertain. Further detail is provided in section 6 below.
- 2.9 The MTFP includes a budget to provide for a 2% pay award in each financial year. This assumption mirrors the Bank of England’s (BoE) target for inflation. The formal pay award has not yet been agreed for 2021/22 and future year pay awards will be subject to negotiation. There is a risk that the pay award could be higher as the increase to cost of living is well above the BoE target. However, any increase will need to balance against affordability for the sector as any pay award will need to be funded from existing budgets.
- 2.10 Services have worked hard during the budget setting process to keep budget growth to a minimum and remain within their budget limits without affecting service delivery. Unavoidable growth (statutory and contractual requirements) has been included in the base budgets
- 2.11 Appendix 3 includes the variances reported for the current period (end of November) that affect all years. The effect of the all variances on the Council’s (surplus)/deficit for the year and the general fund balance over the medium term is shown in the table below.

Movement on General Fund	2021/22 Forecast Outturn £000	2022/23 Indicative Budget £000	2023/24 Indicative Budget £000	2024/25 Indicative Budget £000
Balance at 1 April	(5,210)	(4,001)	(3,662)	(3,065)
(Surplus)/deficit for year	1,209	340	596	645
Balance at 31 March	<b>(4,001)</b>	<b>(3,662)</b>	<b>(3,065)</b>	<b>(2,421)</b>

2.12 It is recommended that for contingencies a balance of at least £2.000 million should be retained in the General Fund. The Council has an additional earmarked reserve forecast to be £1.8 million at the end of March 2022 to set against future economic downturn/loss of business rates.

2.13 It should be noted that long term use of reserves to offset deficits is not sustainable or prudent. The MTFP therefore seeks to bring the MTFP back into balance. At present the MTFP assumes that taxation levels do not recover to pre-COVID levels until the very end of the MTFP period. Should these bounce back more quickly, then balance will be achieved sooner. The balance on each revenue and capital reserve at the 31 March 2022 is shown at **Appendix 7**.

### **3 Potential Growth**

3.1 Services have submitted Project Initiation Documents (PIDS) for approval. This has resulted in an additional investment of **£391,500** over the MTFP. The scheme for prioritising discretionary growth is shown at **Appendix 4**. There are four new proposed growth items shown at **Appendix 5**.

### **4 Fees and Charges**

4.1 The Council is required to set its fees and charges that will be in place from 1 April 2022. Where the Council has discretion over the fee or charge, the Council aims to recover the full cost of delivering the service. As such, fees will usually increase in line with cost pressures. A schedule of fees and charges is set out in **Appendix 8**.

### **5 COVID-19**

5.1 The outlook in relation to COVID-19 remains uncertain as recovery continues to be hindered by the need to respond to new variants and a resurgence in case numbers. The Provisional Local Government Settlement did not provide any additional resources to councils specifically to address COVID-19. The impact of COVID-19 continues to pose a financial risk, particularly in relation to key income streams such as the Leisure Contract Management Fee and parking, as people continue to exercise caution.

### **6 Funding the Revenue Budget**

6.1 The overall Council Medium Term Financial Plan (MTFP) at **Appendix 1** indicates a budget requirement (net expenditure) for 2022/23 of **£13,055,980**. This will be funded from a number of sources, which are detailed in the following paragraphs.

6.2 The Government has once again postponed implementation of changes to local government funding for a further year to 2023/24. The 'Fair Funding Review' and was originally planned for implementation in 2019/20 and includes plans for Councils to increase the percentage of business rates they keep from 50% to 75%. If implemented, the proposed changes would establish new baseline funding levels for each local authority takes account of both the needs of local authorities and the resources available to local authorities. The government has indicated that they will continue to work with the sector to look at the challenges and opportunities facing the sector before consulting on any potential changes to funding allocations. Details have not been confirmed at this stage meaning that the funding position beyond 2022/23 remains uncertain. However, it is likely that funding reform will result in a reduction to government funding and prudent estimates have been included in future years.

#### **Business rates**

6.3 Business rates are collected by the Council, and the proceeds are shared between the District and County Council, and also with central Government to fund services. There is an element of risk and reward involved in the Business Rates scheme, which is designed to incentivise Councils to promote business growth within their areas. The Council expects its share of business rates to be **£1.995 million** in 2022/23 with a further **£0.164 million** received in Section 31 grant. The business rates retention scheme is volatile and estimating the outturn is complex due to factors such as appeals, demolitions, new builds, occupation and reliefs.

6.4 Alongside the delay to the implementation of the Fair Funding Review, the Government has also postponed the planned business rate reset, originally planned for implementation in 2019/20. When implemented, this will reduce the amount of growth that can be retained in the local share and prudent estimates have been included for this in future years.

### **Business Rates Pooling**

6.5 In 2019/20 a new business rate pool consisting of the County Council, this Council and other Hertfordshire districts/borough councils was established. This is to continue in 2022/23 with membership of this pool expecting to contribute **£0.600 million** to the Council's business rate income. This is £0.350 million higher than the previous estimate in the MTFP.

### **New Homes Bonus**

6.6 New Homes Bonus (NHB) is a non-ring-fenced grant relating to the number of new homes delivered in a local authority area that may be used at the discretion of the Council for either capital expenditure or to support the revenue account (or combination). For 2022/23, based on the provisional settlement, the Council expects to receive **£0.220 million** of which will be split equally between revenue and capital funding. The future distribution of NHB is uncertain following a consultation on the future of NHB during 2021/22. A prudent estimate has been included in the MTFP.

### **Government Grant**

6.7 The Government introduced the Lower Tier Support Grant for District Councils in 2021/22 to ensure that no authority experienced a reduction in core spending power in the 2021/22 settlement. This grant has been rolled forward for 2022/23 although allocations have been revised. The allocation for Three Rivers has reduced from £0.121 million in 2021/22 to **£0.089 million** for 2022/23.

6.8 For 2022/23 the government has announced a new one-off Services Grant for local authorities of £822 million. Of this, **£0.138 million** will be received by Three Rivers. This grant is not ring fenced and can be applied as general funding.

6.9 Councils have not received any specific funding to compensate for the 1.25% increase in employers national insurance contributions.

### **Council Tax for 2022/23**

6.10 The Council needs to set a budget that gives an acceptable level of council tax, and is balanced in the medium to long term using the resources at its disposal.

6.11 A council tax increase of £5 has been assumed for 2022/23 and subsequent years. The Council expects to collect **£7.416 million** of council tax income in 2022/23. A one percentage increase in the council tax rate generates approximately a £70,000 increase in Council Tax revenue.

6.12 The Localism Act 2011 introduced a power for local electorates to approve or veto excessive council tax rises. Any authority setting a council tax increase of 2% or more or more than £5 (whichever is the greater) will be required to hold a council tax referendum.

6.13 The government assessment of core spending power assumes local authorities will increase Council Tax by the maximum amount available without triggering a referendum.

### **Council Tax Base**

6.14 The Council Tax base for 2022/23 was set at the Council meeting on the 14 December 2021 and totalled 39,259.8 assuming a collection rate of 99%. The base shows an increase of 1.25% over 2021/22.

6.15 A further increase of 0.5% is assumed for tax base growth in 2023/24 and 2024/25 in the MTFP. This remains a prudent estimate and is lower than the assumptions for growth included prior to COVID-19. If growth continues to recover and reaches 1.5% in future years this will generate

additional Council Tax of £0.158 million by 2024/25 and would reduce the projected budget deficit to £0.049 million in that year.

6.16 Where amounts of Council Tax collected exceed the estimates made, the surplus is shared between the relevant major precepting authorities (Hertfordshire County Council, Three Rivers District Council and Hertfordshire Police & Crime Commissioner). To reduce risk for the Parish Councils, surpluses or deficits are not paid or charged to them.

**Local Council Tax Reduction Scheme**

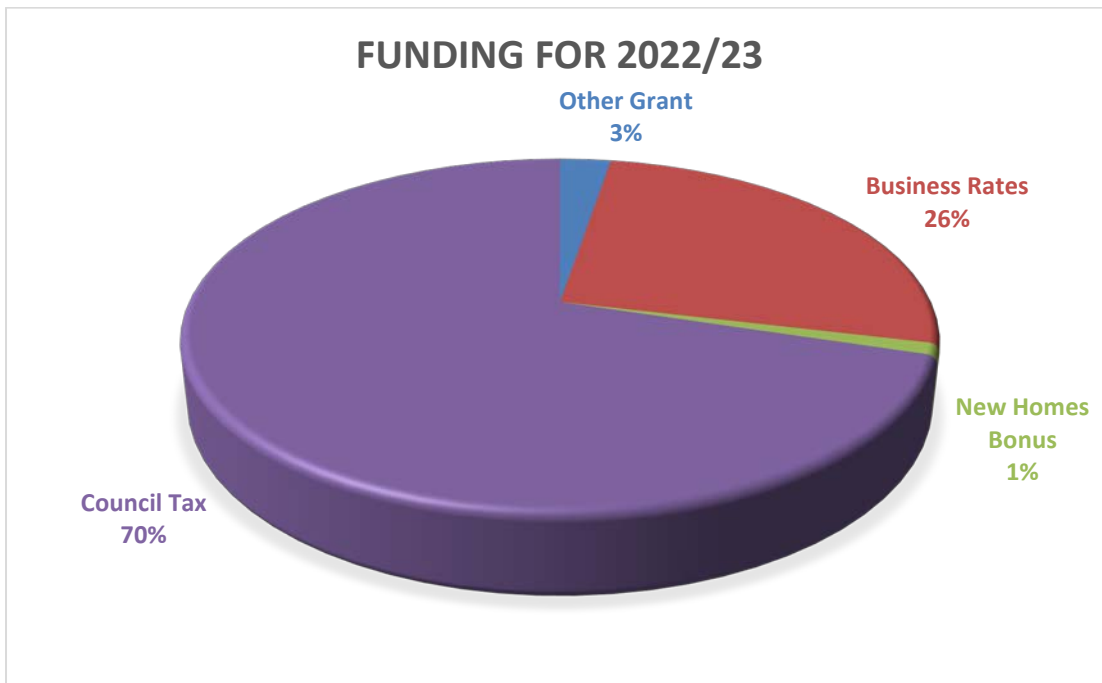
6.17 At the Council meeting on 14 December 2021, it was resolved to continue to apply the agreed Local Council Tax Reduction Scheme for 2022/23.

**Collection Fund**

6.18 There is a statutory requirement to account separately for Council Tax and Business Rates. The Collection Fund has been established to achieve this. The Fund records all transactions such as the yield, exemptions, discounts, provisions for bad debts, payments to major preceptors to Central Government and takes into account collection rates.

6.19 The Council Tax setting process requires an estimate of the surplus or deficit at 31 March 2021 on Council Tax and Business Rates. The balances are distributed to the Council as the Billing Authority, the major preceptors and Central Government.

6.20 The chart below show the value and proportion of each funding stream that supports the Council's revenue account for 2022/23.



**7 Draft Revenue Estimates and General Fund Balance**

7.1 The Director of Finance confirms the estimates have been correctly calculated under the assumptions used and that balances remain adequate.

7.2 The Council's financial exposure over a three-year medium-term period has been calculated for each of its budgetary risks. It is acknowledged that were any of the risks to occur then the impact might last longer; on the other hand actions to mitigate the risk would be taken over the three year period.

7.3 Balances can be used to support revenue expenditure, applied to capital expenditure or a combination of these. The Council should agree to retain some of the balances as 'working balances'. These should be retained at a prudent minimum to assist cash flow management, avoid the need to borrow in the short term, and cover unforeseen expenditure. The prudent minimum level of balances depends on the council's view of its financial risks and is considered further under risk management below.

7.4 The Committee is recommended to agree £2.000 million as the minimum general fund balance over the medium term.

## **8 Options/Reasons for Recommendation**

8.1 The recommendation below enables the Committee to make recommendations to the Council on 22 February 2022 concerning the Council's budget.

## **9 Policy/Budget Reference and Implications**

9.1 The recommendations in this report contribute to the process whereby the Council will approve and adopt its budget under Article 4 of the Council's Constitution.

## **10 Equal opportunities, Environmental, Community Safety, Customer Services Centre, Communications, Health & Safety & Website Implications**

10.1 Dependent on budget decisions.

## **11 Financial Implications**

11.1 Included above

## **12 Legal Implications**

12.1 The Policy and Resources Committee must forward its recommendations on the budget to Council. The Council is required by the Local Government Finance Act 1992 to set its council tax requirement by 11 March 2022.

## **13 Staffing Implications**

13.1 These depend on the budget set. Staff and their representatives have been kept informed of the strategic, service and financial planning process.

## **14 Risk Management Implications**

14.1 The Council has agreed its risk management strategy. Financial and budgetary risks are shown at **Appendix 6**.

14.2 In the officers' opinion none of the risks detailed in Appendix 6, in isolation, were they to come about, would seriously prejudice the achievement of the Strategic Plan and are therefore operational risks that will be included and managed via the Corporate Services Service Plan. The effectiveness of treatment plans are reviewed by the Audit Committee.

## **15 Recommendation**

15.1 That this report be noted.

Report prepared by: Sally Riley - Finance Manager  
Hannah Doney - Head of Finance

Checked by: Alison Scott – Director of Finance

### **Background Papers**

Reports and Minutes of the Policy and Resources Committee and Council

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***The recommendations contained in this report DO NOT constitute a KEY DECISION but contribute to the process whereby the Council will approve and adopt its Strategic, Service and Financial Plans under Article 4 of the Council's Constitution***

#### Appendices

- Appendix 1 Summary Medium Term Financial Plan (2022/23 to 2024/25)
- Appendix 2 Service Committees Medium term Financial Plan (2022/23 to 2024/25)
- Appendix 3 Service Committees Variances at end of November (2022/23 to 2024/25)
- Appendix 4 Scheme for Prioritising Growth
- Appendix 5 Potential Growth
- Appendix 6 Financial and Budgetary Key Risks
- Appendix 7 Reserves
- Appendix 8 Proposed Discretionary Fees & Charges 2022/23





Movement on General Fund Balance	2021/22			2022/2023	2023/24	2024/25
	Original	Latest Budget	Outturn	Latest	Latest	Latest
	£	£	£	£	£	£
-						
Balance Brought Forward at 1 April	(4,482,894)	(5,210,222)	(5,210,222)	(4,001,560)	(3,661,984)	(3,065,620)
Revenue Budget (Surplus)/Deficit for Year	632,369	1,338,280	1,208,662	339,576	596,364	644,844
<b>Closing Balance at 31 March</b>	<b>(3,850,525)</b>	<b>(3,871,942)</b>	<b>(4,001,560)</b>	<b>(3,661,984)</b>	<b>(3,065,620)</b>	<b>(2,420,776)</b>

Movement on Economic Impact ONLY	2021/22			2022/2023	2023/24	2024/25
	Original	Latest Budget	Outturn	Latest	Latest	Latest
	£	£	£	£	£	£
-						
Balance Brought Forward at 1 April	(2,102,600)	(1,802,600)	(1,802,600)	(1,802,600)	(1,802,600)	(1,802,600)
COVID-19 Impact for Year	0	0	0	0	0	0
<b>Closing Balance at 31 March</b>	<b>(2,102,600)</b>	<b>(1,802,600)</b>	<b>(1,802,600)</b>	<b>(1,802,600)</b>	<b>(1,802,600)</b>	<b>(1,802,600)</b>

Total Reserves Impact	2021/22			2022/2023	2023/24	2024/25
	Original	Latest Budget	Outturn	Latest	Latest	Latest
	£	£	£	£	£	£
-						
Balance Brought Forward at 1 April	(6,585,494)	(7,012,822)	(7,012,822)	(5,804,160)	(5,464,584)	(4,868,220)
Impact for Year	632,369	1,338,280	1,208,662	339,576	596,364	644,844
<b>Closing Balance at 31 March</b>	<b>(5,953,125)</b>	<b>(5,674,542)</b>	<b>(5,804,160)</b>	<b>(5,464,584)</b>	<b>(4,868,220)</b>	<b>(4,223,376)</b>

<b>Total Reserves</b>	<b>(5,953,125)</b>	<b>(5,674,542)</b>	<b>(5,804,160)</b>	<b>(5,464,584)</b>	<b>(4,868,220)</b>	<b>(4,223,376)</b>
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## SERVICE COMMITTEES - MEDIUM TERM FINANCIAL PLAN 2021/22 to 2024/25

Leisure, Environment & Community									
<i>Community Safety &amp; Partnership</i>	Original Budget 2021/22	Latest Budget 2021/22	Spend to Date	Forecast Outturn 2021/22	Variance @ P8	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Officer Comments
	£	£	£	£	£	£	£	£	
Citizens Advice Bureaux	303,340	303,340	126,720	303,340	0	303,340	303,340	303,340	Accommodation costs actioned at year end
Community Development	4,500	4,500	(184,386)	4,500	0	4,500	4,500	4,500	Grants to be paid out
Community Safety	245,100	270,020	138,854	279,705	9,685	258,695	263,210	263,210	Variance includes revised employee estimates which takes into account vacancies and changes in pay elements. There are also budget savings on Legal Fees, Printing & Stationery and Software purchases
Corporate Climate Change	93,490	173,740	(1,692,475)	170,015	(3,725)	93,600	94,375	94,375	Variance includes revised employee estimates which takes into account vacancies and changes in pay elements
Community Partnerships	197,340	197,340	109,773	190,250	(7,090)	198,215	204,835	204,835	Variance includes revised employee estimates which takes into account vacancies and changes in pay elements. There are also budget savings on Equipment, Furniture & Materials and Printing & Stationery
Env Health - Commercial Team	209,790	209,790	91,233	209,790	0	209,790	209,790	209,790	This service is now provided by Watford Borough Council
Licensing	(107,050)	(73,270)	(80,061)	(73,270)	0	(74,100)	(73,900)	(73,900)	Variance includes revised employee estimates which takes into account vacancies and changes in pay elements. There are also budget savings on Licences
Community & Leisure Grant	80,000	80,000	26,158	80,000	0	80,000	80,000	80,000	Grants to be paid out
<b>Total</b>	<b>1,026,510</b>	<b>1,165,460</b>	<b>(1,464,184)</b>	<b>1,164,330</b>	<b>(1,130)</b>	<b>1,074,040</b>	<b>1,086,150</b>	<b>1,086,150</b>	

Leisure	Original Budget 2021/22	Latest Budget 2021/22	Spend to Date	Forecast Outturn 2021/22	Variance @ P8	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Officer Comments
	£	£	£	£	£	£	£	£	
Abbots Langley Project	0	0	102,926	0	0	0	0	0	Budget is fully funded by the National Lottery Heritage Fund and S106 monies
Community Sports Network Csn	0	0	(4,970)	0	0	0	0	0	
Community Arts	9,910	9,910	(215)	7,920	(1,990)	10,600	10,600	10,600	£2.7k Increase in income received for Community Arts projects, slightly offset by Budget being removed of £690 for Planning Condition fees as it is not part of this cost centre
Watersmeet	56,170	115,565	(126,697)	97,781	(17,784)	64,990	47,099	47,099	Following the receipt of the Arts Council grant, the £63.5k grant has been used to realign the budgets to reduce the impact of the losses as result of the pandemic. Variances also include revised employee estimates which takes into account vacancies and changes in pay elements
Leavesden Ymca	(35,000)	(35,000)	(17,500)	(35,000)	0	(35,000)	(35,000)	(35,000)	Income is received quarterly.
Active Community Devel Fund	41,900	42,200	4,308	41,700	(500)	0	0	0	Budget saving on Hire of Rooms as not all projects running due to a vacant post, offset by reduction in income received due to the vacant post. Future years £13.5k transferred to Sports Development - Sports Projects in order to deliver commissioned physical activity projects e.g Share UP. All remaining budgets offered up as a saving as vacant post will not be filled.
Oxhey Hall	(3,000)	(3,000)	(2,250)	(3,000)	0	(3,000)	(3,000)	(3,000)	Income is received quarterly.
Trees And Landscapes	374,600	189,360	152,747	189,360	0	189,360	189,360	189,360	Budget will be fully spent
Museum	(700)	(700)	0	(700)	0	(700)	(700)	(700)	Invoice currently being raised
Playing Fields & Open Spaces	46,365	92,095	76,643	102,095	10,000	60,225	60,335	60,335	Budget moved from Croxley Green Skateboard Park for annual maintenance and income budget revised as original budget incorrect
Play Rangers	54,780	54,780	34,021	52,700	(2,080)	50,915	50,915	50,915	Variance includes revised employee estimates which takes into account vacancies and changes in pay elements
Aquadrome	16,480	43,680	49,121	43,680	0	16,390	16,550	16,550	Budget will be fully spent
Sports Devel-Leisure Projects	0	0	0	0	0	0	0	0	
Leisure Venues	(605,910)	187,320	44,205	182,320	(5,000)	(737,480)	(737,480)	(737,480)	Full budget for Free Gym/Swimming no longer required. £45k provision made for Real Living wage payment for SLM from 2022/23 onwards. Negotiations are ongoing with SLM to ensure that the Council recovers its management fee over the life of the contract.
Leisure Development	255,290	472,000	242,846	417,100	(54,900)	443,960	444,050	444,050	Variance includes revised employee estimates which takes into account vacancies and changes in pay elements. Future years sees the removal of the currently vacant Active Development Officer role.
Play Development - Play schemes	60,300	60,300	18,512	40,680	(19,620)	37,940	37,940	37,940	Variance includes revised employee estimates which takes into account vacancies and changes in pay elements of £16.6k, a further £6k is being moved to Fees and Contractual services. There is also a budget saving on Room Hire due to the number of play schemes being offered
Sports Devel-Sports Projects	26,700	26,700	4,197	26,700	0	43,200	43,200	43,200	Future years £3k budget moved from Croxley Green Skateboard Park to deliver an annual Skate Jam in the Summer Holidays and £13.5k budget moved from Active Community Devel Fund to deliver commissioned physical activity projects e.g Share Up.
Croxley Green Skateboard Park	17,580	21,080	9,070	18,080	(3,000)	0	0	0	Variance includes revised employee estimates which takes into account vacancies and changes in pay elements. Future years £3k budget moved to Sports Development to deliver an annual Skate Jam in the summer holidays and £9.75k budget saving due to no longer staffing the skate park during Easter and summer holidays. Premises budget of £5k moved to Playing Fields and Open Spaces for annual maintenance, all other budgets no longer required due to not staffing the skate park during Eater and summer holidays
Leisure & Community Services	133,070	133,070	84,233	131,600	(1,470)	130,120	129,820	129,820	Variance includes revised employee estimates which takes into account vacancies and changes in pay elements. Supplies and Services budgets realigned for future years to cover the cost of the Chairman's Charity golf day
<b>Total</b>	<b>448,535</b>	<b>1,409,360</b>	<b>671,197</b>	<b>1,313,016</b>	<b>(96,344)</b>	<b>271,520</b>	<b>253,689</b>	<b>253,689</b>	

<i>Environmental Services</i>	Original Budget 2021/22	Latest Budget 2021/22	Spend to Date	Forecast Outturn 2021/22	Variance @ P8	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Officer Comments
	£	£	£	£	£	£	£	£	
Grounds Maintenance	706,590	707,735	461,671	720,015	12,280	739,995	741,735	741,735	Variance includes revised employee estimates which takes into account vacancies and changes in pay elements
Refuse Domestic	(18,560)	(18,560)	(12,798)	(18,560)	0	(19,695)	(19,695)	(19,695)	Further spend to be incurred
Refuse Trade	(203,240)	(201,720)	(439,244)	(213,380)	(11,660)	(218,075)	(218,075)	(218,075)	Variance includes revised employee estimates which takes into account vacancies and changes in pay elements
Recycling General	(12,250)	750	(1,849)	750	0	750	750	750	
Garden Waste	(312,780)	(299,440)	(745,729)	(299,440)	0	(416,960)	(405,000)	(405,000)	Salary costs to be apportioned at year end. £5 increase in fees and charges for 2022/23 onwards
Clinical Waste	(47,110)	(41,050)	(72,743)	(47,385)	(6,335)	(44,585)	(44,585)	(44,585)	Variance includes revised employee estimates which takes into account vacancies and changes in pay elements.
Recycling Kerbside	(90,790)	(209,401)	(213,463)	(209,401)	0	(90,790)	(90,790)	(90,790)	Budget will be fully spent
Abandoned Vehicles	250	250	135	250	0	250	250	250	Demand led service
Pest Control	75,000	76,875	38,438	76,875	0	76,922	76,922	76,922	Invoice for the first half of the year has been paid to Watford Borough Council
Environmental Maintenance	25,970	25,970	5,828	25,970	0	25,980	25,980	25,980	Budget will be fully spent
Animal Control	57,250	57,250	32,317	53,095	(4,155)	58,850	58,850	58,850	Variance includes revised employee estimates which takes into account vacancies and changes in pay elements and the Contract Hire budget not required this year
Cemeteries	(182,460)	(185,960)	(151,932)	(185,960)	0	(188,330)	(188,430)	(188,430)	Budget will be spent
Hertfordshire Fly Tipping	0	0	(8,895)	0	0	0	0	0	Ring-fenced grant monies
Environmental Protection	380,830	380,830	247,335	368,000	(12,830)	358,985	359,105	359,105	Variance includes revised employee estimates which takes into account vacancies and changes in pay elements
Depot-Batchworth	28,160	28,160	31,685	34,840	6,680	34,940	35,380	35,380	Variance is due to an incorrectly loaded budget
Waste Management	2,001,010	2,098,580	1,542,978	2,129,845	31,265	2,162,160	2,158,525	2,158,525	Variance includes revised employee estimates which takes into account vacancies and changes in pay elements and an increase in diesel costs of £17k
Street Cleansing	536,410	537,860	276,947	485,280	(52,580)	545,215	547,165	547,165	Variance includes revised employee estimates which takes into account vacancies and changes in pay elements.
<b>Total</b>	<b>2,944,280</b>	<b>2,958,129</b>	<b>990,681</b>	<b>2,920,794</b>	<b>(37,335)</b>	<b>3,025,612</b>	<b>3,038,087</b>	<b>3,038,087</b>	

<b>Total Leisure Environment &amp; Community</b>	<b>4,419,325</b>	<b>5,532,949</b>	<b>197,694</b>	<b>5,398,140</b>	<b>(134,809)</b>	<b>4,371,172</b>	<b>4,377,926</b>	<b>4,377,926</b>	
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#### Infrastructure Housing & Economic Development

<i>Housing</i>	Original Budget 2021/22	Latest Budget 2021/22	Spend to Date	Forecast Outturn 2021/22	Variance @ P8	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Officer Comments
	£	£	£	£	£	£	£	£	
Housing Services Needs	483,720	483,720	367,510	502,295	18,575	494,350	502,395	502,395	Variance includes revised employee estimates which takes into account vacancies and changes in pay elements. Offset by full Licences budget no longer required
Rent Deposit Guarantee Scheme	5,110	5,110	0	5,110	0	5,110	5,110	5,110	Demand led service
Homelessness General Fund	(80,770)	(80,770)	(927,443)	(107,770)	(27,000)	(131,770)	(131,770)	(131,770)	Full budget no longer required on Premises and Income due to reduced use of nightly lets. Full budget no longer required on independent reviews. Spend to date includes ring-fenced grants
Housing Associations	(5,000)	(5,000)	(2,500)	(5,000)	0	(5,000)	(5,000)	(5,000)	Lease income for Wensum Court - charged 1/2 yearly
Refugees	0	0	(80,091)	0	0	0	0	0	Ring-fenced grant monies
Env Health - Residential Team	116,440	116,440	66,299	115,635	(805)	116,255	116,275	116,275	Variance includes revised employee estimates which takes into account vacancies and changes in pay elements. Full budget no longer required on Furniture & Equipment maintenance
<b>Total</b>	<b>519,500</b>	<b>519,500</b>	<b>(576,225)</b>	<b>510,270</b>	<b>(9,230)</b>	<b>478,945</b>	<b>487,010</b>	<b>487,010</b>	

<i>Infrastructure &amp; Planning Policy</i>	Original Budget 2021/22	Latest Budget 2021/22	Spend to Date	Forecast Outturn 2021/22	Variance @ P8	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Officer Comments
	£	£	£	£	£	£	£	£	
Land & Property Info Section	6,570	(930)	(6,431)	13,140	14,070	(1,950)	(1,550)	(1,550)	Budget for search fees £15k not expected to be achieved. Due to a general pattern of increase in number of Personal Searches (free) and impact of the pandemic on the housing market, this is offset by Equipment Furniture & Material and Printing & Stationery budgets no longer required.
Street Naming & Numbering	7,130	7,130	3,442	7,130	0	7,130	7,130	7,130	Budget will be fully spent
Environmental Initiatives	47,470	0	0	0	0	0	0	0	Cost Centre no longer used
Development Management	74,490	218,100	184,763	226,010	7,910	133,707	139,622	139,622	Variance includes revised employee estimates which takes into account vacancies and changes in pay elements. Budget no longer required for Equipment Furniture & Material, Furniture & Equipment Maintenance and publications. Full budget no longer required for Printing & Stationery and Scanning
Director Community & Env Servs	130,650	130,650	88,733	131,380	730	130,550	130,590	130,590	Variance includes revised employee estimates which takes into account vacancies and changes in pay elements
Development Plans	346,090	377,940	28,979	372,360	(5,580)	302,255	304,870	304,870	Variance includes revised employee estimates which takes into account vacancies and changes in pay elements. Budget no longer required for Equipment, Furniture & Material, Miscellaneous IT Costs and Status reports
Hertfordshire Building Control	(10,147)	(10,147)	11,190	(10,147)	0	(9,487)	(9,487)	(9,487)	Q1 & Q2 invoices raised
HS2 Planning	0	0	(3,490)	0	0	0	0	0	
<b>Total</b>	<b>602,253</b>	<b>722,743</b>	<b>307,186</b>	<b>739,873</b>	<b>17,130</b>	<b>562,205</b>	<b>571,175</b>	<b>571,175</b>	

<i>Economic Development</i>	Original Budget 2021/22	Latest Budget 2021/22	Spend to Date	Forecast Outturn 2021/22	Variance @ P8	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Officer Comments
	£	£	£	£	£	£	£	£	
Energy Efficiency	19,500	19,500	4,978	19,500	0	19,500	19,500	19,500	New Scheme Started with Yes Energy, awaiting applications
Sustainability Projects	6,000	4,500	102	3,000	(1,500)	3,000	3,000	3,000	Demand led, no applications received to date
Decriminalised Parking Enf	50,250	182,200	25,331	182,200	0	73,640	85,860	85,860	Budget will be spent
Car Parking-Maintenance	114,460	114,460	101,373	114,460	0	115,070	96,690	96,690	Budget will be spent
Dial A Ride	40,000	40,000	(18,414)	40,000	0	40,000	40,000	40,000	Invoice is awaited from HCC for first 6 months of 21/22
Sustainable Travel Schemes	0	27,660	13,060	27,660	0	1,500	1,500	1,500	Budget will be spent
Better Buses Fund	93,359	93,359	93,359	93,359	0	93,359	93,359	93,359	Budget fully spent
Public Conveniences	4,200	4,200	3,600	4,200	0	4,200	4,200	4,200	Awaiting invoices. Full budget committed
GIS Officer	54,300	54,300	6,089	20,570	(33,730)	45,075	46,330	46,330	Variance includes revised employee estimates which takes into account vacancies and changes in pay elements
<b>Total</b>	<b>382,069</b>	<b>540,179</b>	<b>229,478</b>	<b>504,949</b>	<b>(35,230)</b>	<b>395,344</b>	<b>390,439</b>	<b>390,439</b>	
<b>Total Infrastructure Housing &amp; Economic Development</b>	<b>1,503,822</b>	<b>1,782,422</b>	<b>(39,561)</b>	<b>1,755,092</b>	<b>(27,330)</b>	<b>1,436,494</b>	<b>1,448,624</b>	<b>1,448,624</b>	

Policy & Resources									
Resources & Shared Services	Original Budget 2021/22	Latest Budget 2021/22	Spend to Date	Forecast Outturn 2021/22	Variance @ P8	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Officer Comments
	£	£	£	£	£	£	£	£	
Director Of Finance	70,610	70,610	46,233	54,695	(15,915)	70,610	70,610	70,610	Variance includes revised employee estimates which takes into account vacancies and changes in pay elements.
Communication	124,110	174,110	77,609	149,075	(25,035)	115,670	115,790	115,790	Variance includes revised employee estimates which takes into account vacancies and changes in pay elements. £6k budget transferred to Customer Contact Programme to pay for Granicus contract and £.5 Printing & Stationery budget no longer required.
Legal Practice	372,740	372,740	267,619	394,445	21,705	395,725	397,660	397,660	Variance includes revised employee estimates which takes into account vacancies and changes in pay elements.
Committee Administration	175,990	198,320	64,430	197,140	(1,180)	202,475	202,650	202,650	Variance includes revised employee estimates which takes into account vacancies and changes in pay elements.
Office Services	240,810	208,810	101,656	188,210	(20,600)	232,810	232,810	232,810	Full cleaning budget not required due to reduced number of staff working in the office. Full Security budget not required as security is currently mainly being covered by the Facilities Team and full budget on Postage not required due to smarter working. This is slightly offset by a reduction in income as unlikely to have any external bookings this year.
Elections & Electoral Regn	129,420	129,420	114,120	163,165	33,745	129,420	129,595	129,595	Variance includes revised employee estimates which takes into account vacancies and changes in pay elements. Agency staff employed.
Finance Services	456,420	456,420	423,394	480,825	24,405	457,875	440,590	440,590	Variance includes revised employee estimates which takes into account vacancies and changes in pay elements. One off increase in Software and Maintenance budget of £25k, Increase in Publications spend of £2k due to LG Chronicle subscription being managed centrally, offset by underspend of £13k in Cash in Transit and £6.5k in Professional Fees- Consultancy.
Parliamentary Elections	0	0	54,559	0	0	0	0	0	2019 General Election claim currently with Cabinet Office.
Police Commissioner Election	0	0	(60,542)	0	0	0	0	0	May 2021 Election costs to be apportioned by end of January 2022
Revs & Bens Management	38,570	38,570	35,617	38,570	0	36,250	36,250	36,250	Budget will be spent
Fraud	82,840	82,840	62,231	82,050	(790)	80,150	80,150	80,150	Variance includes revised employee estimates which takes into account vacancies and changes in pay elements.
Chief Executive	176,060	176,060	117,447	177,070	1,010	176,060	176,060	176,060	Variance includes revised employee estimates which takes into account vacancies and changes in pay elements.

<i>Resources &amp; Shared Services</i>	<b>Original Budget 2021/22</b>	<b>Latest Budget 2021/22</b>	<b>Spend to Date</b>	<b>Forecast Outturn 2021/22</b>	<b>Variance @ P8</b>	<b>Forecast 2022/23</b>	<b>Forecast 2023/24</b>	<b>Forecast 2024/25</b>	<b>Officer Comments</b>
	£	£	£	£	£	£	£	£	
Performance Mgt & Scrutiny	47,770	47,770	32,908	49,030	1,260	47,520	47,520	47,520	Variance includes revised employee estimates which takes into account vacancies and changes in pay elements
Debt Recovery	200,230	200,230	175,265	209,225	8,995	227,075	227,670	227,670	Variance includes revised employee estimates which takes into account vacancies and changes in pay elements.
Three Rivers House	366,190	388,590	279,821	381,590	(7,000)	366,000	359,260	359,260	Full budget not required for Gas £5k and Electricity £2k due to reduced opening hours
Basing House	(10,230)	(10,230)	(8,836)	(10,230)	0	(10,340)	(10,140)	(10,140)	Budget will be spent
Officers' Standby	6,140	6,140	6,140	6,140	0	6,140	6,140	6,140	Budget fully spent
Finance Client	98,350	98,350	30,802	62,346	(36,004)	115,780	115,900	115,900	Variance includes revised employee estimates which takes into account vacancies and changes in pay elements. Increase in budget required for Treasury Management system licence fee. Income received for services provided to West Herts Crematorium under SLA
Business App Maintenance	226,200	226,200	206,844	226,400	200	226,400	226,400	226,400	Software Maintenance inflation increase to contract
ICT Client	751,638	835,638	350,182	837,858	2,220	755,542	757,131	757,131	Variance includes revised employee estimates which takes into account vacancies and changes in pay elements
Internal Audit Client	71,460	71,460	30,108	71,460	0	71,460	71,460	71,460	Budget will be spent
Fraud Client	2,690	2,690	1,793	2,690	0	2,690	2,690	2,690	Budget will be spent
Insurances	353,220	353,220	359,727	353,220	0	353,220	353,220	353,220	Budget will be spent
Debt Recovery Client Acc	(6,140)	(6,140)	(500)	(6,140)	0	(6,140)	(6,140)	(6,140)	
HR Client	334,628	334,628	155,413	334,628	0	333,736	334,113	334,113	Budget will be spent
Corporate Management	150,680	150,680	39,099	150,680	0	150,680	150,680	150,680	
Democratic Representation	303,758	303,758	206,101	303,998	240	303,758	303,758	303,758	Variance includes revised employee estimates which takes into account vacancies and changes in pay elements.
Benefits & Allowances	725,010	725,010	714,092	694,270	(30,740)	666,800	667,075	667,075	Variance includes revised employee estimates which takes into account vacancies and changes in pay elements. Realignment of budgets for Shared Service Printing & Stationery and Postage
Benefits Client	(549,890)	(549,890)	2,116,151	(545,210)	4,680	(545,210)	(545,210)	(545,210)	Realignment of budgets for Shared Service Printing & Stationery and Postage
Benefits New Burden	0	0	(30,919)	0	0	0	0	0	
Benefits Non Hra	1,020	1,020	(283,876)	1,020	0	1,020	1,020	1,020	
Council Tax Collection	360,940	360,940	429,738	456,664	95,724	381,209	382,114	382,114	Variance includes revised employee estimates which takes into account vacancies and changes in pay elements. Realignment of budgets for Shared Service Printing & Stationery and Postage
NNDR	36,500	55,090	58,676	55,695	605	55,090	55,090	55,090	Variance includes revised employee estimates which takes into account vacancies and changes in pay elements
Council Tax Client	(186,140)	(186,140)	0	(126,879)	59,261	(126,879)	(126,879)	(126,879)	Realignment of budgets for Shared Service Printing & Stationery and Postage



Resources & Shared Services	Original Budget 2021/22	Latest Budget 2021/22	Spend to Date	Forecast Outturn 2021/22	Variance @ P8	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Officer Comments
	£	£	£	£	£	£	£	£	
Nndr Cost Of Collection	(107,090)	(107,090)	0	(107,090)	0	(107,090)	(107,090)	(107,090)	
Register Of Electors	36,800	36,800	4,301	36,800	0	36,800	36,800	36,800	Remaining budget will be spent
District Elections	76,320	76,320	200,198	76,320	0	76,320	76,320	76,320	May 2021 Election costs to be apportioned by end of January 2022
Customer Service Centre	947,790	925,460	508,992	786,090	(139,370)	917,340	924,795	924,795	Variance includes revised employee estimates which takes into account vacancies and changes in pay elements. Staffing variances are substantial due secondments. Budget no longer required for Clothes, Uniforms & Laundry
Major Incident Planning	98,230	97,080	46,473	97,830	750	100,230	100,350	100,350	Variance includes revised employee estimates which takes into account vacancies and changes in pay elements.
Miscellaneous Income & Expend	59,275	(890,617)	(5,766,701)	(890,617)	0	18,003	18,003	18,003	Actuals include COVID-19 grant income
Non Distributed Costs	249,000	249,000	1,176	249,000	0	255,000	255,000	255,000	Actioned at year end
Customer Contact Programme	50,000	98,590	0	104,590	6,000	6,000	6,000	6,000	Budget transfer from Communications to pay for Granicus contract
Miscellaneous Properties	(103,920)	(85,770)	(63,867)	(68,375)	17,395	(102,180)	(102,740)	(102,740)	£18k Budget transfer from Garages & Shops for Maintenance. Full budget not required for Gas as a number of properties are no longer the responsibility of TRDC. Variance also includes employee estimates which takes into account vacancies and changes in pay elements
Asset Management - Property Services	370,810	395,810	408,749	444,770	48,960	378,545	387,305	387,305	Variance includes revised employee estimates which takes into account vacancies and changes in pay elements. Agency Staff employed
Parish Elections	0	0	(8,416)	0	0	0	0	0	May 2021 Election costs to be apportioned by end of January 2022
County Elections	0	0	(97,105)	0	0	0	0	0	May 2021 Election costs to be apportioned by end of January 2022
Referendums	0	0	(28,249)	0	0	0	0	0	May 2021 Election costs to be apportioned by end of January 2022
Garages & Shops Maintenance	(1,142,850)	(1,162,850)	(737,138)	(1,180,850)	(18,000)	(1,142,960)	(1,144,030)	(1,144,030)	£18k Budget Transfer to Property services to cover maintenance costs.
Investment Properties	(1,000,000)	(1,000,000)	(472,042)	(1,000,000)	0	(1,100,000)	(1,200,000)	(1,200,000)	Increased income from investment portfolio
Kickstart	0	0	1,949	0	0	0	0	0	
Oxhey Drive	9,990	9,990	8,234	9,990	0	10,050	10,250	10,250	Budget will be spent
Vacancy Provision	(180,000)	(180,000)	0	(180,000)	0	(180,000)	(180,000)	(180,000)	Employee variances for current year has been offset against this budget
Covid19	0	0	(261,533)	0	0	0	0	0	Covid19 Hardship Fund Grant
Salary Contingency	273,860	273,860	0	273,860	0	550,000	825,000	1,100,000	A budget provision has been included in the budget to cover the cost of a potential 2% salary increase should they decide to recommend a pay increase given that local government is not bound by the Chancellor's Budget announcement.
<b>Total Policy &amp; Resources</b>	<b>4,789,809</b>	<b>4,053,497</b>	<b>(81,877)</b>	<b>4,086,018</b>	<b>32,521</b>	<b>4,988,654</b>	<b>5,161,000</b>	<b>5,436,000</b>	
<b>Total All Committees</b>	<b>10,712,956</b>	<b>11,368,868</b>	<b>76,256</b>	<b>11,239,250</b>	<b>(129,618)</b>	<b>10,796,320</b>	<b>10,987,550</b>	<b>11,262,550</b>	

Corporate Costs	Original Budget 2021/22	Latest Budget 2021/22	Spend to Date	Forecast Outturn 2021/22	Variance @ P8	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Officer Comments
	£	£	£	£	£	£	£	£	
Interest Earned	(390,011)	(390,011)	(288,971)	(390,011)	0	(270,000)	(470,000)	(460,000)	
Interest Paid	381,220	431,220	166,083	431,220	0	302,150	302,150	302,150	
Transfer to Reserves	(59,910)	(59,910)	666,136	(59,910)	0	(59,910)	(59,910)	(59,910)	
Parish Precepts	2,114,610	2,114,610	2,144,610	2,114,610	0	2,156,920	2,200,060	2,200,060	Paid half yearly in April & September
<b>Total Corporate Costs</b>	<b>2,045,909</b>	<b>2,095,909</b>	<b>2,687,858</b>	<b>2,095,909</b>	<b>0</b>	<b>2,129,160</b>	<b>1,972,300</b>	<b>1,982,300</b>	

<b>Grand Total</b>	<b>12,758,865</b>	<b>13,464,777</b>	<b>2,764,114</b>	<b>13,335,159</b>	<b>(129,618)</b>	<b>12,925,480</b>	<b>12,959,850</b>	<b>13,244,850</b>	
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Pid Bids	2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2023/24
Community Support Service	0	15,000	15,000	15,000
Grounds Maintenance	0	47,500	47,500	47,500
Community Parks and Sustainability Officer	0	61,000	61,000	61,000
Revenue impact of Capital PIDs	0	7,000	7,000	7,000
<b>Total</b>	<b>0</b>	<b>130,500</b>	<b>130,500</b>	<b>130,500</b>

<b>Net Budget</b>	<b>13,055,980</b>	<b>13,090,350</b>	<b>13,375,350</b>
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Funding Changes	2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Officers Comments
New Homes Bonus	0	(110,247)	(95,000)	(95,000)	Increase in allocation
Council Tax	0	(9,573,102)	(9,850,604)	(10,087,124)	Increase in Charge by £5 in 2022/23
Council Tax Collection Fund Deficit	0	2,843	0	0	Deficit on Council Tax Collection Fund
Business Rates Pooling	0	(600,000)	(250,000)	(250,000)	Increase in allocation
Business Rates	0	(2,158,901)	(2,158,901)	(2,158,901)	Decrease in Allocation
Services Grant	0	(137,516)	0	0	Additional Government Grant
Dividend	0	(50,000)	(50,000)	(50,000)	
Lower Tier Grant	0	(89,481)	(89,481)	(89,481)	Decrease in Allocation
<b>Total Funding</b>	<b>0</b>	<b>(12,716,404)</b>	<b>(12,493,986)</b>	<b>(12,730,506)</b>	

<b>Surplus / Deficit</b>	<b>339,576</b>	<b>596,364</b>	<b>644,844</b>
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## SERVICE COMMITTEES – VARIANCES

Leisure, Environment & Community						
Description	Main Group Heading	Details of Outturn Variances to Latest Approved Budget	2021/22 £	2022/23 £	2023/24 £	2024/25 £
Community Safety	Employees	Variance includes revised employee estimates which takes into account changes in pay elements due to restructure of service	12,445	13,805	18,320	18,320
	Supplies and Services	Budget savings on Legal fees, Printing & Stationery and Software purchases	(2,760)	(1,760)	(1,760)	(1,760)
Corporate Climate Change	Employees	Variance includes revised employee estimates which takes into account vacancies and changes in pay elements	(3,725)	(490)	285	285
Community Partnerships	Employees	Variance includes revised employee estimates which takes into account changes in pay elements due to restructure of service	(7,090)	1,475	6,825	6,825
	Supplies and Services	Budget savings on Equipment, Furniture & Materials and Printing & Stationery	0	(600)	(600)	(600)
Licensing	Employees	Variance includes revised employee estimates which takes into account vacancies and changes in pay elements	0	(200)	(210)	(210)
	Supplies and Services	Budget saving on Licences	0	(2,000)	(2,000)	(2,000)
<b>Total Community Safety &amp; Partnership</b>			<b>(1,130)</b>	<b>10,230</b>	<b>20,860</b>	<b>20,860</b>

Description	Main Group Heading	Details of Outturn Variances to Latest Approved Budget	2021/22 £	2022/23 £	2023/24 £	2024/25 £
Community Arts	Income	£2.7k Increase in income received for Community Arts projects, slightly offset by Budget being removed of £690 for Planning Condition fees as it is not part of this cost centre	(1,990)	690	690	690
Watersmeet	Employees	Variance includes revised employee estimates which takes into account vacancies and changes in pay elements.	6,993	9,315	374	374
	Premises	Increase in maintenance costs to fix a number of faults, including fly/rig issues - covered by grant income	10,000	0	0	0
	Supplies and Services	Budget distribution of grant of £14.5k for equipment improvement and upgrade, £16k Marketing campaign and infrastructure. Additional expenditure of £21.6k due to increased number of programmed shows, £2k due to increased supplier costs of publication and £3k for Box Office charges. slightly offset by addition income of £580 due to increased card transactions.	56,520	0	0	0
	Income	Additional income received £27k increased number of programmed shows, £4k staff recharges for elections, council and committee hosting, £900 hire booking ticket sales for confirmed shows, £800 improved uptake on "What's On" adverts, £5k return to full rental income and recovered late payments from earlier in the year. Offset by a reduction in income of £10k on bar sales.	(27,797)	0	0	0
	Grants	Additional income from round 3 of the Cultural Recovery Fund grant (note a proportion of this has been redistributed to expenditure codes as per the eligibility criteria and application)	(63,500)	0	0	0
Active Community Devel Fund	Employees	£13.5k from Future years budgets to be transferred to Sports Development - Sports Projects, to deliver commissioned physical activity projects e.g Shape Up. The remaining budget offered up as a saving as vacant post will not be filled	0	(29,000)	(29,000)	(29,000)
	Premises	Budget saving on Hire of rooms as not all project running due to vacant post. Future years budgets offered up as a saving as vacant post will not be filled	(7,500)	(9,590)	(9,590)	(9,590)
	Supplies and Services	Future years budgets offered up as a saving as vacant post will not be filled	0	(11,360)	(11,360)	(11,360)
	Income	Reduction in income received due to vacant post	7,000	7,750	7,750	7,750
Playing Fields & Open Spaces	Premises	Budget moved from Croxley Green Skateboard Park for annual maintenance	0	5,000	5,000	5,000
	Income	Increase in Fees and charges following 3% inflation uplift	0	(1,080)	(1,080)	(1,080)
	Income	Original budget incorrect	10,000	10,000	10,000	10,000

Description	Main Group Heading	Details of Outturn Variances to Latest Approved Budget	2021/22 £	2022/23 £	2023/24 £	2024/25 £
Play Development - Play schemes	Employees	Variance includes revised employee estimates which takes into account vacancies and changes in pay elements of £16.6k, a further £6k is being moved to Fees and Contractual services	(22,700)	(18,960)	(18,960)	(18,960)
	Premises	Budget saving on room hire due to the reduction in the number of play schemes being offered	(3,000)	(7,000)	(7,000)	(7,000)
	Supplies and Services	Budget movement from Temporary staff to Fees and Contractual Services	6,080	0	0	0
	Income	Reduction in income due to reduction in number of play schemes being offered	0	3,600	3,600	3,600
Sports Development - Sports Project	Employees	£3k Budget moved from Croxley Green Skateboard Park to deliver an annual Skate Jam in the Summer Holidays an additional £13.5k moved from Active Community Devel Fund to deliver commissioned physical activity projects e.g Shape Up	0	16,500	16,500	16,500
Croxley Green Skateboard Park	Employees	Variance includes revised employee estimates which takes into account vacancies and changes in pay elements. Future years £3k budget moved to Sports Development to deliver an annual Skate Jam in the summer holidays and £9.75k budget saving due to no longer staffing the skate park during Easter and summer holidays	(3,000)	(12,750)	(12,750)	(12,750)
	Premises	Budget moved to Playing Field and Open Spaces for annual maintenance	0	(5,000)	(5,000)	(5,000)
	Supplies and Services	Budget no longer required due to not staffing the skate park during Easter and summer holidays	0	(3,330)	(3,330)	(3,330)
	Income	Budget no longer required due to not staffing the skate park during Easter and summer holidays	0	3,500	3,500	3,500
Leisure & Community Services	Employees	Variance includes revised employee estimates which takes into account vacancies and changes in pay elements.	(390)	0	(14,610)	(14,610)
	Supplies and Services	Budget savings for this financial year and realigned for future years to cover the cost of the Chairman's Charity golf day	(1,080)	0	0	0
<b>Total Leisure</b>			<b>(96,344)</b>	<b>(178,120)</b>	<b>(186,071)</b>	<b>(186,071)</b>

Description	Main Group Heading	Details of Outturn Variances to Latest Approved Budget	2021/22 £	2022/23 £	2023/24 £	2024/25 £
Grounds Maintenance	Employees	Variance includes revised employee estimates which takes into account vacancies and changes in pay elements	12,280	30,915	30,915	30,915
Refuse Domestic	Income	Increase in Fees and charges following 3% inflation uplift	0	(1,135)	(1,135)	(1,135)
Refuse Trade	Employees	Variance includes revised employee estimates which takes into account vacancies and changes in pay elements	(11,660)	13,505	13,505	13,505
	Income	Increase in Fees and charges following 3% inflation uplift	0	(23,100)	(23,100)	(23,100)
Garden Waste	Income	Proposed Increase in Fees and Charges	0	(121,100)	(121,100)	(121,100)
Clinical Waste	Employees	Variance includes revised employee estimates which takes into account vacancies and changes in pay elements	(6,335)	0	0	0
	Income	Increase in Fees and charges following 3% inflation uplift	0	(3,475)	(3,475)	(3,475)
Pest Control	Third Party Payments	Inflationary increase in cost of Pest Control contract with Watford Borough Council	0	1,922	1,922	1,922
Animal Control	Employees	Variance includes revised employee estimates which takes into account vacancies and changes in pay elements	1,515	2,600	2,600	2,600
	Transport	Contract hire budget not required this year	(5,670)	0	0	0
	Income	Increase in Fees and charges	0	(1,000)	(1,000)	(1,000)
Cemeteries	Income	Increase in Fees and charges following 3% inflation uplift	0	(5,900)	(5,900)	(5,900)
Environmental Protection	Employees	Variance includes revised employee estimates which takes into account vacancies and changes in pay elements	(12,830)	(21,875)	(24,385)	(24,385)
Batchworth Depot	Supplies and Services	Incorrect budget loaded	6,680	6,680	6,680	6,680
Waste Management	Employees	Variance includes revised employee estimates which takes into account vacancies and changes in pay elements	14,265	39,730	45,795	45,795
	Transport	Increase in budget required due to increased cost of diesel	17,000	0	0	0
Street Cleansing	Employees	Variance includes revised employee estimates which takes into account vacancies and changes in pay elements	(52,580)	9,985	9,925	9,925
<b>Total Environmental Services</b>			<b>(37,335)</b>	<b>(72,248)</b>	<b>(68,753)</b>	<b>(68,753)</b>
<b>Total Leisure Community &amp; Environment Services</b>			<b>(134,809)</b>	<b>(240,138)</b>	<b>(233,964)</b>	<b>(233,964)</b>

Infrastructure Housing & Economic Development						
Description	Main Group Heading	Details of Outturn Variances to Latest Approved Budget	2021/22 £	2022/23 £	2023/24 £	2024/25 £
Housing Services Needs	Employees	Variance includes revised employee estimates which takes into account vacancies and changes in pay elements	20,075	5,700	10,545	10,545
	Supplies and Services	Full budget not required due to reduction in number of licences required	(1,500)	(1,500)	(1,500)	(1,500)
Env Health - Residential Team	Employees	Variance includes revised employee estimates which takes into account vacancies and changes in pay elements	(405)	(375)	(375)	(375)
	Supplies and Services	Full budget for Furniture & Equipment Maintenance no longer required	(400)	(500)	(500)	(500)
Homelessness General Fund	Premises	Full budget no longer required due to reduced used of nightly lets	(175,000)	(150,000)	(150,000)	(150,000)
	Supplies and Services	Full budget no longer on Independent reviews	(2,000)	(1,000)	(1,000)	(1,000)
	Income	Reduction in income due to reduced use of nightly lets	150,000	100,000	100,000	100,000
<b>Total Housing</b>			<b>(9,230)</b>	<b>(47,675)</b>	<b>(42,830)</b>	<b>(42,830)</b>
Description	Main Group Heading	Details of Outturn Variances to Latest Approved Budget	2021/22 £	2022/23 £	2023/24 £	2024/25 £
Land & Property Info Section	Employees	Variance includes revised employee estimates which takes into account vacancies and changes in pay elements	0	(650)	(370)	(370)
	Supplies and Services	Budget no longer required for Equipment Furniture & Material and Printing & Stationery. Full budget no longer required for Land searches	(930)	(5,430)	(5,430)	(5,430)
	Income	Increase in Fees and charges following 3% inflation uplift	0	(3,500)	(3,500)	(3,500)
		Budget for search fees not expected to be achieved. Due to a general pattern of increase in number of Personal Searches (free) and impact of the pandemic on the housing market	15,000	0	0	0
Development Management	Employees	Variance includes revised employee estimates which takes into account vacancies and changes in pay elements	9,560	36,805	37,230	37,230
	Supplies and Services	Budget no longer required for Equipment Furniture & Material, Furniture & Equipment Maintenance and publications. Full budget no longer required for Printing & Stationery and Scanning	(1,650)	(6,150)	(6,150)	(6,150)
	Income	Increase in Fees and charges following 3% inflation uplift	0	(2,438)	(2,438)	(2,438)
Director Community & Env Servs	Employees	Variance includes revised employee estimates which takes into account vacancies and changes in pay elements	730	0	0	0
Development Plans	Employees	Variance includes revised employee estimates which takes into account vacancies and changes in pay elements	0	(475)	690	690
	Supplies and Services	Budget no longer required on Equipment, Furniture & Material, Miscellaneous IT Costs and Status reports	(5,580)	(5,580)	(5,580)	(5,580)
<b>Total Infrastructure and planning policy</b>			<b>17,130</b>	<b>12,582</b>	<b>14,452</b>	<b>14,452</b>
Sustainability Projects	Supplies and Services	Full budget no longer required on Grants & Contributions	(1,500)	(1,500)	(1,500)	(1,500)
GIS Officer	Employees	Variance includes revised employee estimates which takes into account vacancies and changes in pay elements	(33,730)	(9,225)	(7,970)	(7,970)
<b>Total Economic Development</b>			<b>(35,230)</b>	<b>(10,725)</b>	<b>(9,470)</b>	<b>(9,470)</b>

Policy & Resources						
Description	Main Group Heading	Details of Outturn Variances to Latest Approved Budget	2021/22 £	2022/23 £	2023/24 £	2024/25 £
Customer Contact Programme	Supplies and Services	Budget transfer from Communications to pay for Granicus contract	6,000	6,000	6,000	6,000
Director Of Finance	Employees	Variance includes revised employee estimates which takes into account vacancies and changes in pay elements	(15,915)	0	(1,180)	(1,180)
Communication	Employees	Variance includes revised employee estimates which takes into account vacancies and changes in pay elements	(15,535)	0	0	0
	Supplies and Services	£6k budget transferred to Customer Contact Programme to pay for Granicus contract. £3.5k Printing & Stationery budget no longer required	(9,500)	(9,500)	(9,500)	(9,500)
Legal Practice	Employees	Variance includes revised employee estimates which takes into account vacancies and changes in pay elements	21,705	19,375	18,890	18,890
Committee Administration	Employees	Variance includes revised employee estimates which takes into account vacancies and changes in pay elements	(1,180)	21,535	21,370	21,370
Office Services	Premises	Full cleaning budget not required due to reduced number of staff working in the office, hours required are less	(3,000)	0	0	0
	Supplies and Services	Full budget for security not required as security is currently mainly being covered by The Facilities Team - £8k. Full budget for Postage not required due to smarter working - £10k.	(18,000)	0	0	0
	Income	Reduction in income as unlikely to have any external bookings this year	400	0	0	0
Elections & Electoral Regn	Employees	Variance includes revised employee estimates which takes into account vacancies and changes in pay elements. Agency staff employed.	33,745	0	(1,055)	(1,055)
Finance Services	Employees	Variance includes revised employee estimates which takes into account vacancies and changes in pay elements.	16,805	1,595	(16,760)	(16,760)
	Supplies and Services	One off increase in Software and Maintenance budget of £25k, Increase in Publications spend of £2k due to LG Chronicle subscription being managed centrally, offset by underspend of £13k in Cash in Transit and £6.5k in Professional Fees-Consultancy.	7,600	(1,000)	(1,000)	(1,000)
Fraud	Employees	Variance includes revised employee estimates which takes into account vacancies and changes in pay elements.	(790)	(2,690)	(2,690)	(2,690)
Chief Executive	Employees	Variance includes revised employee estimates which takes into account vacancies and changes in pay elements	1,010	0	0	0
Performance Mgt & Scrutiny	Employees	Variance includes revised employee estimates which takes into account vacancies and changes in pay elements	1,260	(250)	(250)	(250)
Debt Recovery	Employees	Variance includes revised employee estimates which takes into account vacancies and changes in pay elements	8,995	25,465	24,690	24,690



Description	Main Group Heading	Details of Outturn Variances to Latest Approved Budget	2021/22 £	2022/23 £	2023/24 £	2024/25 £
Three Rivers House	Premises	Full budget not required for Gas £5k and Electricity £2k due to reduced opening hours	(7,000)	0	0	0
Finance Client	Employees	Variance includes revised employee estimates which takes into account vacancies and changes in pay elements	(900)	(10,630)	(10,630)	(10,630)
	Supplies and Services	Increase in Budget required to Treasury Management system licence fee	2,700	0	0	0
	Income	Income for Services provided to West Herts Crematorium under SLA	(37,804)	0	0	0
Business App Maintenance	Supplies and Services	Software Maintenance inflation increase to contract	200	200	200	200
ICT Client	Employees	Variance includes revised employee estimates which takes into account vacancies and changes in pay elements	2,220	0	0	0
Democratic Representation	Employees	Variance includes revised employee estimates which takes into account vacancies and changes in pay elements	240	0	0	0
Benefits & Allowances	Employees	Variance includes revised employee estimates which takes into account vacancies and changes in pay elements	(26,060)	(58,340)	(57,055)	(57,055)
	Supplies and Services	Realignment of budgets for Shared Service Printing & Stationery and Postage	(12,000)	(12,000)	(12,000)	(12,000)
	Income	Realignment of budgets for Shared Service Printing & Stationery and Postage	7,320	7,320	7,320	7,320
Benefits Client	Supplies and Services	Realignment of budgets for Shared Service Printing & Stationery and Postage	4,680	4,680	4,680	4,680
Council Tax Collection	Employees	Variance includes revised employee estimates which takes into account vacancies and changes in pay elements. Agency staff employed	154,985	78,350	75,985	75,985
	Supplies and Services	Realignment of budgets for Shared Service Printing & Stationery and Postage	(151,950)	(151,950)	(151,950)	(151,950)
	Income	Realignment of budgets for Shared Service Printing & Stationery and Postage	92,689	92,689	92,689	92,689
Council Tax Client	Supplies and Services	Realignment of budgets for Shared Service Printing & Stationery and Postage	59,261	59,261	59,261	59,261
NNDR	Employees	Variance includes revised employee estimates which takes into account vacancies and changes in pay elements	605	0	0	0

Description	Main Group Heading	Details of Outturn Variances to Latest Approved Budget	2021/22 £	2022/23 £	2023/24 £	2024/25 £
Customer Service Centre	Employees	Variance includes revised employee estimates which takes into account vacancies and changes in pay elements. Staffing variances are substantial due to a number secondments	(134,370)	(36,020)	(31,725)	(31,725)
	Supplies and Services	Budget for Clothes, Uniforms & Laundry no longer required	(5,000)	(2,000)	(2,000)	(2,000)
Major Incident Planning	Employees	Variance includes revised employee estimates which takes into account vacancies and changes in pay elements	750	(1,060)	(1,060)	(1,060)
	Supplies and Services	Increase in Emergency Planning budget due to new contract with St Albans District Council	0	3,150	3,150	3,150
Miscellaneous Properties	Employees	Variance includes revised employee estimates which takes into account vacancies and changes in pay elements	595	530	530	530
	Premises	Budget Transfer from Garages & Shops Maintenance	18,000	0	0	0
		Full budget not required for Gas as a number of properties are no longer the responsibility of TRDC	(1,200)	0	0	0
Asset Management - Property Services	Employees	Variance includes revised employee estimates which takes into account vacancies and changes in pay elements. Agency Staff employed	48,960	(4,985)	(2,325)	(2,325)
Garages & Shops Maintenance	Premises	Budget Transfer to Miscellaneous Properties to cover maintenance costs.	(18,000)	0	0	0
Investment Properties	Income	Increased income from investment portfolio	0	(100,000)	(200,000)	(200,000)
Vacancy Provision	Employees	Employee variances for current year has been offset against this budget	0	0	0	0
Salary Contingency	Employees	A budget provision has been included in the budget to cover the cost of a potential 2% salary increase should there be a recommendation for a pay increase given that local government is not bound by the Chancellor's Budget announcement.	0	275,000	550,000	825,000
<b>Total Policy and Resources</b>			<b>32,521</b>	<b>204,725</b>	<b>363,585</b>	<b>638,585</b>
<b>TOTAL Variances for Period 8 (November) 2020</b>			<b>(129,618)</b>	<b>(81,231)</b>	<b>91,773</b>	<b>366,773</b>

Other			2021/22	2022/23	2023/24	2024/25
	Main Group Heading	Variances to Latest Approved Budget	£	£	£	£
Interest Received	Income	Income generated from Grapevine and Pre-emption sites	0	(180,000)	(380,000)	(370,000)
<b>Total Other Variations</b>			<b>0</b>	<b>(180,000)</b>	<b>(380,000)</b>	<b>(370,000)</b>

Funding			2021/22	2022/23	2023/24	2024/25
	Main Group Heading	Variances to Latest Approved Budget	£	£	£	£
New Homes Bonus	Income	Increase in allocation	0	(15,247)	0	0
Council Tax	Income	Increase in charge by £5 in 2022/23	0	(55,089)	(57,032)	(293,552)
Council Tax Collection Fund Deficit	Income	Deficit on Council Tax Collection Fund		2,843	0	0
Business Rates Pooling	Income	Increase in allocation	0	(350,000)	0	0
Business Rates Growth	Income	Decrease in allocation	0	86,099	86,099	86,099
Services Grant	Income	Additional Government Grant	0	(137,516)	0	0
Lower Tier Grant	Income	Decrease in allocation	0	30,519	30,519	30,519
<b>Total Funding Variations</b>			<b>0</b>	<b>(438,391)</b>	<b>59,586</b>	<b>(176,934)</b>

Growth PIDs			2021/22	2022/23	2023/24	2024/25
	Main Group Heading	Variances to Latest Approved Budget	£	£	£	£
	Employees	Grounds Maintenance	0	47,500	47,500	47,500
	Employees	Community Parks and Sustainability Officer	0	61,000	61,000	61,000
	Supplies & Services	Community Support Service	0	15,000	15,000	15,000
	Supplies & Services	Revenue Impact of Capital PIDS	0	7,000	7,000	7,000
<b>Total Growth PIDs</b>			<b>0</b>	<b>130,500</b>	<b>130,500</b>	<b>130,500</b>

## SCHEME FOR PRIORITISING GROWTH

Criteria	Revenue Growth/Capital Bids		
	Score	Description	
Measure of Quality of Service	a	3	Maintaining Current Service
		6	Improved Internal Service
		9	Improved External Service
Customer Impact / Quantity of Service	b	3	Affects < 10% of residents
		6	Affects < 50% of residents
		9	Affects all residents
Links to Strategic Plan	c	2	Contributes to General Theme
		4	Contributes to General Aim
		6	Contributes to Specific Objective
Impact on Partners (as defined in the Community Strategy)	d	1	No impact on partner agencies or joint priorities
		2	Impacts on 1 partner agency / priority
		3	Impacts several partners / priorities
Partnership Funding	e	1	No Partnership Funding
		2	Partly Funded by Partners
		3	Fully Funded by Partners
Equalities	f	1	No impact on vulnerable groups
		2	Impacts on one vulnerable group
		3	Impacts several vulnerable groups
Asset Management	g	1	Not related to asset maintenance
		2	Allowing asset to continue in use
		3	Expenditure required to bring asset up to standard enabling service to continue (i.e. an element of 'backlog' repair exists)
Statutory/Discretionary Service	h	1	Entirely Discretionary
		2	Partly Statutory
		3	Entirely Statutory
Contractually Committed	i	1	No Commitment
		2	Moral Obligation (e.g. SLA)
		3	Contractually Committed

PROPOSALS FOR GROWTH (not included in base budgets)

Revenue Growth Bids					Measure of Quality of Service	Customer Impact / Quantity of Service	Links to Strategic Plan	Impact on Partners (as defined in the Community Strategy)	Partnership Funding	Equalities	Asset Management	Statutory/Discretionary Service	Contractually Committed	Financial Implications	Invest to Save	Total
Service Plan	Description	2022/23 £	2023/24 £	2024/25 £	A	B	C	D	E	F	G	H	I	J	K	
Community Partnerships	Community Support Service	15,000	15,000	15,000	9	3	4	3	2	3	1	2	2	0	4	33
Environmental Protection	Grounds Maintenance	47,500	47,500	47,500	3	6	2	2	1	1	2	2	1	0	2	22
Leisure & Landscapes	Community Parks and Sustainability Officer	61,000	61,000	61,000	3	9	6	3	1	3	1	1	1	0	0	28
<b>Total</b>		<b>123,500</b>	<b>123,500</b>	<b>123,500</b>												

Revenue Implications of Capital growth bids					A	B	C	D	E	F	G	H	I	J	K	Total
Service Plan	Description	2022/23 £	2023/24 £	2024/25 £												
Property Services	Street Lighting	5,000	5,000	5,000	3	6	6	1	1	1	3	2	1	3	0	27
Indicative cost of capital	Revenue impact of funding additions to capital programme	2,000	2,000	2,000												0
<b>Total</b>		<b>7,000</b>	<b>7,000</b>	<b>7,000</b>												

<b>Total All Growth Bids</b>	<b>130,500</b>	<b>130,500</b>	<b>130,500</b>
	<b>Over Medium Term</b>		<b>391,500</b>

# FINANCIAL AND BUDGETARY KEY RISKS

# APPENDIX 6

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. <i>The continuing financial impact of COVID-19 places a burden on the Councils Revenue account through loss of income and additional expenditure.</i>	4	4	16	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 be taken to P&R. The monitoring reports include the latest forecast for income and expenditure, including the impact of COVID-19 and related government support. The finance team continue to work with external audit to conclude the audit of the 2019/20 accounts and work will commence on the 2020/21 audit in early 2022.	Heads of Service/ Head of Finance	On-going
Apr-06	FIN08	Director of Finance	Budgetary	Revenue balances insufficient to meet estimate pay award increases	The Council's 3 year Medium term Financial Strategy includes forecast pay awards for the next three years. The Government's fair funding review is currently on hold	3	3	9	Maintain reserves to guard against risk. Early identification of new pressures. Budget Monitoring	Head of Finance	2	1	2	➔	The 2021/22 pay settlement has yet to be agreed between Employers and Unions. Employers have offered a 1.5% increase	Head of Finance	Dec-21
Apr-06	FIN09	Director of Finance	Budgetary	Revenue balances insufficient to meet other inflationary increases	Other than contractual agreements, budgets have been cash limited where possible.	1	3	3	Monitor future inflation projections. Actively manage budgets to contain inflation. Maintain reserves .	Service Heads/Head of Finance	1	2	2	➔	Continue to monitor inflation levels. Assumptions for inflation will be updated through the budget setting process.	Head of Finance	ongoing
Jan-15	FIN10	Director of Finance	Budgetary	Interest rates resulting in significant variations in estimated interest income	The interest rate has a significant impact on the proceeds from capital receipts that are invested in the money market. The volatility of the global economy continues to place uncertainty on the investment strategy.	2	3	6	PIB strategy has diversified interest rate risk to provide income security.	PIB/Head of Finance	3	2	6	➔	Monitoring ongoing income levels.	PIB	ongoing

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Apr-06	FIN11	Director of Finance	Budgetary	Inaccurate estimates of fees and charges income	Key income streams reported monthly to Corporate Management Team and shown in the latest Budget Monitoring reports. Due to COVID-19 losses of income on parking and Leisure Management fee have been incurred.	3	2	6	Budget levels realistically set and closely scrutinised	Service Heads/Head of Finance	2	2	4	➡	Fees and Charges are monitored as part of budget monitoring. Govt will continue to provide the income guarantee scheme for loss of income on fees & charges due to COVID-19 for the first quarter of 2021/22.	Service Heads	ongoing
Apr-06	FIN12	Director of Finance	Budgetary	Revenue balances insufficient to meet loss of partial exemption for VAT	If the council's expenditure on functions for which it receives income that is exempt for VAT purposes exceeds 5% of its total vatable 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 commissioned. Continue to opt to tax.	Head of Finance	ongoing
Dec-13	FIN13	Director of Finance	Budgetary	The estimated cost reductions and additional income gains are not achieved	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 3 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	ongoing
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

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Dec-13	FIN18	Director of Finance	Budgetary	Fluctuations in Business Rates Retention	From April 2020 the system was due to be subject to reset and increase to 75% retention. This has been further postponed to 2022/23.	3	4	12	Maintain reserves against risk.	Head of Finance	3	3	9	➔	Hertfordshire CFOs have commissioned work from LG Futures to assess the impact. SDCT also looking at impact nationally.	Director of Finance	Jul-22
Mar-16	FIN19	Head of Property Services	Budgetary	Failure to deliver the South Oxhey Initiative to desired outcomes and objectives resulting in a delay in the capital receipt	This is a key project. This appears as item no.7 in the Council's strategic risk register. Phase 1 delivered. Enhanced next phase agreed. <i>Work is scheduled to conclude in 2021/22 and remains broadly on track.</i>	2	3	6	Project management team appointed to advise Council; Project management processes in place and reviewed regularly; Policy and Resources Committee receive regular reports on progress of project	Head of Property Services	2	2	4	➔	Continue to manage project	Head of Property	ongoing
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	ongoing
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 MTFS 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 is currently exploring other commercial options to improve self sustainability. Currently there is a commercial income target of £1M pa which is being met.	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	Head of Property Services	Continuous



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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. <i>The Section Head (FPA) retires at the end of September 2021.</i>	3	4	12	Improve depth of skills and knowledge. Bring in temporary additional resources as necessary.	Head of Finance	1	3	3	➔	<i>Secondment arrangements have been put in place to cover two critical vacancies. Recruitment has been paused to enable a review of the current structure. Key vacancies are being covered by interim appointments to ensure that there is sufficient capacity within the team to meet business needs.</i>	Chief Executive/ Director of Finance	Ongoing

## RESERVES

Category	Opening Balance 01/04/2021 £	Net Movement in Year £	Closing Balance 31/03/2022 £	Purpose
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Revenue Reserves				
General Fund	(5,210,222)	1,208,662	(4,001,560)	Working balance to support the Council's revenue services. £2M is a suggested prudent minimum
Economic Impact (EIR)	(1,802,600)	0	(1,802,600)	To support the funding of unexpected/unplanned Council expenditure as a result of fluctuations in the economy.
Building Control	(194,514)	0	(194,514)	To provide against future losses and/or borrowing against Hertfordshire Building Control Ltd
HB Equalisation	(500,868)	0	(500,868)	To provide against future deficits on the Housing Benefit account
<b>Total Revenue</b>	<b>(7,708,204)</b>	<b>1,208,662</b>	<b>(6,499,542)</b>	

Capital Reserves				
Capital Receipts	0	0	0	Generated from sale of Council assets
New Homes Bonus	(4,260,019)	4,297,911	37,892	Government grant set aside for supporting capital expenditure
Section 106	(581,286)	0	(581,286)	Developers contributions towards facilities
Grants & Contributions	(1,326,765)	0	(1,326,765)	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>(6,168,070)</b>	<b>4,297,911</b>	<b>(1,870,159)</b>	

Other Earmarked Reserves				
Leavesden Hospital Open Space	(769,123)	0	(769,123)	To maintain open space on the ex hospital site
Abbots Langley - Horsefield	(1,165,350)	0	(1,165,350)	Developers contributions towards maintenance of site
Community Infrastructure Levy (CIL)	(4,944,948)	(143,864)	(5,088,812)	Developers contributions towards Infrastructure
Environmental Maintenance Plant	(123,563)	0	(123,563)	Reserve to fund expenditure on plant & machinery
<b>Total Other</b>	<b>(7,002,984)</b>	<b>(143,864)</b>	<b>(7,146,848)</b>	

<b>Total All</b>	<b>(20,879,258)</b>	<b>5,362,709</b>	<b>(15,516,549)</b>	
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