

# 2024/25 REVENUE AND CAPITAL BUDGET POSITION TO 30<sup>TH</sup> SEPTEMBER 2024 AND PROJECTION OF EXPECTED OUTTURN

## AGENDA ITEM NO. 9

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**MEETING: POLICY AND RESOURCES**

**DATE: 23<sup>RD</sup> OCTOBER 2024**

**REPORT BY: FINANCE MANAGER**

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### **1.0 Purpose of the Report**

- 1.1 The purpose of this report is to present the six-month financial position on the Council's approved 2024/25 Revenue and Capital Budget up to 30<sup>th</sup> September 2024, along with a forecast of the expected year-end outturn position.
- 1.2 The report also quantifies any income losses, additional costs and savings relating to the economic situation and how these have impacted upon the Council's Revenue Budget and overall financial position in the current year.

### **2.0 Summary of the Council's Current Financial Position**

- 2.1 The implications of the economic difficulties continues to have an impact on the Council's Revenue Budget, with high inflationary increases still being experienced across a number of expenditure budgets, pressure on staffing budgets linked to National Living Wage increases and trade union demands, and impacts on the usage of some services resulting in pressure on income budgets.
- 2.2 Staffing costs represent a significant proportion of the Council's Revenue Budget and therefore a key budget pressure.
- 2.3 The 2024/25 staffing budget included an assumed pay award of 5%.
- 2.4 The 2024/25 pay negotiations between the Local Government Employers and unions commenced in February 2024, with the Local Government Unions submitting a pay claim of at least £3,000 or 10% (whichever is greater) on all spinal column points.
- 2.5 The Local Government Employers made their full and final offer in May 2024 of £1,290 (pro rata for part time employees) on all NJC pay points. This pay offer would ensure that the lowest local government pay rate keeps pace with and retains sufficient headroom from the National Living Wage.
- 2.6 Following consultations by the unions, GMB members voted to accept the pay offer. Unite and Unison members voted to reject it, and these two unions are currently balloting their members on industrial action.
- 2.7 Based on the final pay offer from the Local Government Employers, if this is agreed, there would be a saving across the Council budgets, in the region of £6,700, as the average increase across all pay points is less than the 5%

budgeted. However, with two of the local government unions rejecting the pay offer, and currently balloting their members for industrial action, there is uncertainty around what level pay offer will ultimately be agreed, the timing of which is unknown. For the purposes of this report and expected outturn projection, it has been assumed that the final offer from the employers will be agreed.

- 2.8 However, any actual pay increase in excess of that budgeted, would cause an overspend across all service areas.
- 2.9 Gas and electricity costs have been another key budget pressure in recent years. Prices have stabilised and fallen back compared to the very high costs experienced in 2022/23, at the height of the cost-of-living crisis.
- 2.10 Members will be aware that gas and electricity supplies are procured on the Council's behalf by Durham County Council Energy Management Team. Unfortunately, they have been unable to provide advice on future costs at this moment and continue to base their projections on the 2021/22 base line. The projected costs to the end of the financial year have been assumed to be in line with the budget set for most areas. However, bills and costs will be closely monitored and the expected outturn forecast updated in future reports.
- 2.11 There have been some further unavoidable increases in electricity costs following Ofgem undertaking a Targeted Charging Review, which resulted in recovery of transmission and distribution costs (non-commodity charges). These have now been split from consumption charges. These changes have significantly increased the charges on the Council's half hourly meter sites with the depot, driving range and sports complex affected by the change.
- 2.12 On a positive note the Council is exceeding its income targets in some areas in the first six months of 2024/25, particularly at the sports complex and pre-school, while interest rates remain high resulting in increased investment income. Taken alongside the inclusion in the Revenue Budget of the contingency sum and contribution to capital reserves, this means that the Council is continuing to achieve a level of net spending which is below the level of Precept set.
- 2.13 Additionally, insurance premiums, as advised by the Councils Insurance Broker when the budget was set, were anticipated to increase by around 11%. However the premiums in the current year have achieved a saving due to the Council agreeing to the extension of the three-year stability agreement with savings in the region of £8,000 across all budgets areas.
- 2.14 The Council's 2024/25 Revenue Budget up to the 30<sup>th</sup> September 2024 is showing a saving of in the region £167,000.
- 2.15 The main factors contributing towards this saving are summarised below:-
- The budgeted contribution to capital reserves of £75,000;
  - No use to date of the £13,500 contingency sum;
  - Savings on insurance premiums;
  - Higher than budgeted investment income as a result of increased interest rates and higher than expected balances;
  - Savings on fuel costs due to the reduction in prices;
  - Savings in staffing costs as a result of the pay award having not yet been agreed and the frozen administration assistant vacancy in the council offices;

- Savings on the Senior Citizens Excursions as a result of issuing cash to an additional number of trip venues this year rather than providing a non-refundable pre-booked sit-down lunch;
  - Higher than budgeted income at the Sports Complex as a result of increased usage across most sporting activities and increased catering income;
  - Higher than budgeted funding income at the pre-school as a result of high attendance numbers during the spring and summer terms; and
  - An increase in golf membership numbers and income.
- 2.16 However it should be noted that a proportion of the savings made have been offset by unavoidable inflationary pressure on some running costs, increases in non-commodity electricity costs for a number of sites as identified earlier, and by falls in golf shop sales and numbers of cemeteries burials.
- 2.17 A forecast of the expected year-end outturn position on the 2024/25 Revenue Budget has also been undertaken, based on an assessment of likely spending and income for the remainder of the year.
- 2.18 The expected outturn forecast indicates that the Council is on course to have an underspend on the Revenue Budget in the region of £172,350 by the end of the 2024/25 financial year.**
- 2.19 This potential saving would be achieved despite the aforementioned inflationary pressures and the income losses projected for the golf complex and cemeteries.
- 2.20 The Revenue Budget surplus will be transferred to the Council's balances and reserves at the end of the year, enabling the Council to maintain a healthy financial position at the end of the financial year.
- 2.21 This top-up of reserves will be welcome, as it comes at a time when the Medium-Term Financial Plan continues to forecast significant capital investment commitments and diminishing balances and reserves over the medium to long-term.
- 2.22 The Council's 2024/25 Capital Programme Budget currently stands at £515,865, having been increased from £156,350 to provide for the carry forward of a significant number of on-going commitments and provisional sums from last year of £304,250 and a number of additional budget approvals during the year of £55,265.
- 2.23 Expenditure against the Capital Programme Budget up to the 30<sup>th</sup> September 2024 totalled £60,955, with significant further progress on the delivery of the planned programme of works expected during the remainder of the year as per the recent report to the Asset Management Sub-Committee.
- 2.24 However, it is important to note that many of the projects included in the 2024/25 Capital Programme Budget are 'provisional' sums and it is therefore likely that a number of projects will not go ahead this year and be delayed into a future financial year. It is also anticipated that the final costs on some projects may be less than budgeted.
- 2.25 Final net spending on the 2024/25 Capital Programme Budget is currently projected to be around £302,650** (after taking into account the use of external capital grants and contributions in respect of some projects), with a number of projects expected to be carried forward to 2025/26, estimated to at a value of around £210,850.

- 2.26 The net Capital Programme outturn will be funded from the Council's Earmarked Reserves which are set aside for this purpose.
- 2.27 After accounting for the forecast Revenue Budget overspend and financing of the Capital Programme as highlighted above, Council Balances and Reserves would reduce by around £195,000 over the course of the year from £1.993 million to £1.798 million.**
- 2.28 This remains a healthy level of balances, particularly bearing in mind the challenges in the current economic climate, and is a positive endorsement of the prudent management and planning of the Council's finances over the last few years.
- 2.29 However, balances and reserves are on a downward trajectory and this is something that will need to be considered in the 2025/26 budget setting exercise and in future updates of the Medium-Term Financial Plan.

### **3.0 2024/25 Revenue Budget Position**

- 3.1 A detailed breakdown of the financial position on the Council's Revenue Budget, broken down by each Committee, and by individual service areas, is attached in **Appendix 1** to the report.
- 3.2 The attached budgetary control figures set out the following information:-
- The approved budget for each service area;
  - The year-to-date budget for the first six months of 2024/25 which gives an indication of how much of the budget would have expected to have been incurred in the year to date;
  - The actual income and expenditure in the first six months of the year as recorded in the Financial Management System;
  - A projection of the 'expected outturn' for 2024/25 based on the actual income and expenditure to date and an estimate of likely spending and income over the remainder of the year;
  - The variance between the approved annual budget and the expected outturn; and
  - An explanation of any significant variances between the annual budgets and the expected outturn on spending and income i.e. savings or overspending.
- 3.3 Please note that the insurance budgets have been adjusted in line with the latest premium breakdown provided by the Council's insurance company, in order to more accurately reflect the apportionment of these costs.
- 3.5 Whilst the above adjustments have changed the individual budget totals, there is no impact on the overall level of Precept.
- 3.6 The table on the following page provides a summary of the overall position on the revenue budgets for the six months up to 30<sup>th</sup> September 2024, and the projection of expected outturn for the year:-

<b>Budgets by Committee and Service Area</b>	<b>2024/24 Approved Budget £</b>	<b>Year to Date Budget £</b>	<b>2024/25 Spend to Date £</b>	<b>2024/25 Expected Outturn £</b>	<b>(Saving) / Overspend £</b>
<b><u>Policy and Resources</u></b>					
Members and Civic	81,050	39,150	37,931	78,550	(2,500)
Finance Service	100,350	44,700	41,074	98,300	(2,050)
Administration Service	86,500	43,650	31,411	64,950	(21,550)
Corporate Service	292,100	161,550	156,404	288,200	(3,900)
St Oswald's Pre School	63,300	9,200	(24,504)	50,150	(13,150)
Works	246,650	145,550	126,586	243,850	(2,800)
Depot	37,700	20,200	20,585	38,700	1,000
Capital Financing	(14,550)	(14,200)	(40,677)	(45,600)	(31,050)
<b>Sub-Total</b>	<b>893,100</b>	<b>449,800</b>	<b>348,810</b>	<b>817,100</b>	<b>(76,000)</b>
<b><u>Recreation</u></b>					
Special Events	215,050	119,900	110,783	193,700	(21,350)
Sports Complex	373,950	177,950	148,060	362,950	(11,000)
Sports Pitches	18,050	5,600	4,530	17,000	(1,050)
Golf Course	110,150	(4,050)	(9,722)	107,800	(2,350)
Driving Range	(5,300)	26,800	43,427	2,100	7,400
Parks	164,550	86,150	85,003	164,250	(300)
Play Areas	65,550	34,300	33,934	65,150	(400)
<b>Sub-Total</b>	<b>942,000</b>	<b>446,650</b>	<b>416,014</b>	<b>912,950</b>	<b>(29,050)</b>
<b><u>Environment</u></b>					
Environment	121,600	55,250	55,632	121,300	(300)
Street Equipment	8,900	2,850	2,840	8,850	(50)
Allotments	25,800	10,050	9,673	25,600	(200)
Cemeteries	59,900	29,250	38,147	80,200	20,300
Church Works	7,150	4,100	4,075	7,150	-
<b>Sub-Total</b>	<b>223,350</b>	<b>101,500</b>	<b>110,367</b>	<b>243,100</b>	<b>19,750</b>
<b>Contingency Sum</b>	<b>13,500</b>	<b>6,750</b>	-	<b>1,450</b>	<b>(12,050)</b>
<b>Transfer to Reserves</b>	<b>75,000</b>	<b>37,500</b>	-	-	<b>(75,000)</b>
<b>Less LCTSS Grant</b>	<b>(172,177)</b>	<b>(86,089)</b>	<b>(86,089)</b>	<b>(172,177)</b>	-
<b>Precept / Net Spending</b>	<b>1,974,773</b>	<b>956,112</b>	<b>789,102</b>	<b>1,802,423</b>	<b>(172,350)</b>

- 3.7 Based on the above expected outturn projection, it is estimated that there will be a total underspend of £172,350, or 8.7% against the approved 2024/25 Revenue Budget by the end of the year.
- 3.8 This saving would be achieved despite the ongoing challenges of the current economic situation.
- 3.9 The Revenue Budget surplus is very welcome, as it comes at a time when the Medium-Term Financial Plan continues to forecast significant capital investment commitments and diminishing balances and reserves over the next few years, and the projected saving will help to partially replenish the Council's balances and reserves.
- 3.10 Detailed commentary on the 2024/25 Revenue Budget position is provided in the following section of the Report.

## **4.0 Commentary on Revenue Budget Position by Committee**

### **4.1 Policy and Resources Committee**

The Policy and Resources Committee Budgets are projecting a saving for the year of £76,000 or 8.5%.

The main factors contributing towards the achievement of this saving are as follows:-

- A saving on members allowances due to some members not claiming their allowance and vacancies during the year;
- Savings on insurance premiums;
- Savings on the proposed Local Government Pay Award;
- Savings on the Administration staffing budget due to the frozen Administrative Assistant vacancy;
- Savings on a number of administration supplies and services budgets due to the move to paper light office and more electronic communications (postage, stationery, and printing)
- Savings on vehicle fuel costs due to the reduction in prices;
- Savings in business rates due to the rateable value being frozen at the depot and council offices;
- An increase over budget in pre-school income due to higher attendance numbers and in special educational needs (SEN) income; and
- A significant increase in investment income as a result of higher than budgeted interest rates and levels of balances.

These savings have been partly offset by the following overspends:-

- Increased staff costs at the pre-school following the appointment of a temporary SEN assistants (fully offset by the SEN funding);
- Increased electricity costs due to the increase in non-commodity charges at the depot;
- Increased expenditure at the pre-school on pupil premium (fully offset by pupil premium funding).

### **4.2 Recreation Committee**

The Recreation Committee Budgets are projecting an expected saving for the year of £29,050 or 3.1%.

The main factors contributing towards this saving are as follows:-

- Savings on insurance premiums;
- Savings on the Senior Citizens Excursions as a result of issuing cash to an additional number of trip venues this year rather than providing a non-refundable pre-booked sit-down lunch;
- A projected saving on the Large Community Events budget as a result of a reduced number of one-off events this year;
- Increased income at the sports complex across most income budget areas;
- Higher than budgeted income at the sports pitches as a result of an increase in the number of teams booking the pitches;
- Increased membership income at the Golf Complex due to increased membership numbers, plus a reduction in the golf irrigation water costs as a result of the inclement weather; and
- An increase in driving range income and hot beverages income at the Driving Range.

These savings have been partly offset from the following projected losses:-

- A projected reduction in bar income as a result of lost income during the period of the unauthorised encampment on the playing fields;
- A reduction in golf buggy hire income due to the buggies being out of use in the early part of the season as a result of the wet weather and a general fall in demand;
- A reduction in golf shop sales; and
- A significant increase in electricity non-commodity costs at the driving range.

### **4.3 Environment Committee**

The Environment Committee Budgets are projecting an expected overspend the year of £19,750 or 8.8%.

This is entirely as a result of much lower than projected income from cemeteries burial fees.

### **4.4 Revenue Budget Contingency Sum**

There will be a small spend of £1,450 on the £13,500 Revenue Budget Contingency Sum this year in relation to the revaluation of the Civic Regalia, as recently approved by the Council.

### **4.5 Contribution to Capital Reserves**

The budgeted contribution to capital reserves will result in a £75,000 contribution towards balances this year.

### **4.6 Use of the Revenue Budget Support Reserve**

Members may recall that as part of the reporting of the 2023/24 year- end position, a total of £34,331 was transferred from the 2023/24 Revenue Budget saving to the Revenue Budget Support Reserve, in order to provide resources to support the 2024/25 Revenue Budget.

These resources were required to fund a number of issues that were on-going at the end of year, and for which additional budget was expected to be required.

This included a sum of £1,150 to offset the purchase of a safe for the secure storage of the increased requirement for cash for the Senior Citizens trips. This sum will no longer be required as it has been funded from savings on the Revenue Senior Citizens budget.

Resources will be transferred from the Revenue Budget Support Reserve to the service revenue budgets during the year to meet expenditure relating to these issues.

An analysis of the resources set aside within the Revenue Budget Support Reserve and the expected use of these resources is attached at **Appendix 2** for Members' information.

This shows that £11,990 has been transferred to service revenue budgets so far this year, with a further £21,191 expected to be transferred during the remainder of the year.

This will result in approximately £1,150 being returned to Council Balances at the end of the year (relating to the monies for the safe).

## 4.7 Use of VAT Windfall Reserve

Members may recall that as part of the reporting of the 2023/24 year- end position, a total of £19,500 was approved to be carried forward to 2024/25 for projects that had not been completed during 2023/24 from the VAT Windfall Reserve monies.

An analysis of the resources set aside within the VAT Windfall Reserve and the actual use of these resources is attached at **Appendix 3** for Members' information.

This shows that £4,866 has been transferred to Service Revenue budgets so far this year, with the remainder of the monies expected to be used during the second half of the year.

## 5.0 2024/25 Capital Programme Budget

- 5.1 The Council approved an original Capital Programme Budget for 2024/25 totalling £156,350.
- 5.2 The 2024/25 Capital Programme Budget has subsequently been increased to provide for the carry forward of a large significant number of on-going commitments, provisional sums, and deferred and on-going projects at the end of the 2023/24 financial year, totalling £304,250.
- 5.3 This carry forward was approved by Policy and Resources Committee on 5<sup>th</sup> June 2024.
- 5.4 The Capital Programme has been further increased via a number of additional approvals totalling £55,265 as follows:-
  - Policy and Resources Committee on 6<sup>th</sup> March agreed an additional approval of £18,950 to undertake drainage works on the driving range;
  - Policy and Resources Committee on 17<sup>th</sup> April agreed an additional approval of £3,360 to undertake footpath improvement works on the Golf Course;
  - Policy and Resources Committee on 17<sup>th</sup> July agreed to bring forward £5,000 from the 2025/26 financial year and approved an additional budget approval of £8,350 for a replacement CCTV system at the Sports and Golf Complex. In addition at this meeting, approval was given for an additional capital budget of £4,150 to extend the outside play area at the Pre-School.
  - Policy and Resources Committee on 11<sup>th</sup> September agreed to bring forward £10,205 to undertake additional works on the bridge at West Park Lake and to approve an additional budget of £5,250 to undertake repairs to play equipment at Scott Place Play Area.
- 5.5 The revised 2024/25 Capital Programme Budget currently totals £515,865. **Appendix 4** includes more detail on the adjustments made to the budget since it was originally approved.
- 5.6 Expenditure against the Capital Programme Budget up to the 30<sup>th</sup> September 2024 totalled £60,955. This included works at the pre-school, works at the depot, information technology investments, purchase of festive lighting, switches for the new telephone system, works on the driving range drainage, a replacement freezer at the sports complex, footpath repairs and tree works.
- 5.7 In addition to this there has been expenditure totalling £19,570 on a number of grant/externally funded projects including the purchase of display boards and printing of books to celebrate the 75<sup>th</sup> Anniversary of the Town, repairs to West Park bridge and various target hardening security measures on Council land.

- 5.8 Significant further progress on the delivery of the 2024/25 Capital Programme Budget is expected during the remainder of the year, as recently reported to the Asset Management Sub-Committee, with planned projects including various works at the Council Offices, including flooring and blinds, cleaning of the separation tank at the depot, replacement windows and doors at the Pre-School, council building roofing surveys, purchase of electrical machinery, computer replacements, photocopier replacement and website development, play area surfacing replacement, ditch clearance works on the golf course, sports complex drainage repairs and CCTV system upgrade, the first phase of the development of the woodland burial site, allotment fencing replacement at Aycliffe Village, footpath repairs, ongoing bus shelter roof repairs and Ash Dieback Disease tree works.
- 5.9 Members will recall at the meeting of the Asset Management Sub-Committee on 26<sup>th</sup> June 2024, a review of the 2024/25 Capital Programme, when the status of each project was agreed between those projects that were to go ahead this year, those that were provisional sums, or those that were to be deferred to a future year. It was agreed to defer the internal decoration at the Sports Complex until 2025/26. Additionally, some of the projects included in the 2024/25 Capital Programme Budget were agreed as 'provisional' sums, and it is therefore likely that a number of projects will not go ahead this year and be delayed into a future financial year. It is also likely that the final costs on some projects may be less than budgeted.
- 5.10 **Based on this outcome of the review of planned 2024/25 capital expenditure undertaken by the Council, final net spending is therefore expected to be around £302,650** (after taking into account the use of external capital grants and contributions in respect of some projects), representing around 60% of the programme of works.
- 5.11 A number of projects (provisional sums and deferred projects) are likely to be carried forward to 2025/26, with an estimated value of around £210,850.
- 5.12 The final outturn on the 2024/25 Capital Programme Budget will be funded from the Council's Earmarked Reserves which are set aside for this purpose.
- 5.13 **A detailed breakdown of the actual spending position on the Council's 2024/25 Capital Programme** up to the 30<sup>th</sup> September 2024, the projection of year-end expected outturn, and the likely carry forward to the 2025/26 financial year **is attached at Appendix 5.**

## 6.0 Council Balances and Reserves

6.1 The estimated movement on the Council's Balances and Earmarked Reserves during the 2024/25 year is summarised in the table below:-

<b>Council Balances and Reserves</b>	<b>£</b>
General Fund Balance	199,353
Budget Support Fund	34,331
HMRC Leisure VAT Reserve	19,500
Community Benefit Fund	8,156
Allotments Bonds Holding Account	500
Earmarked Revenue Reserves (Elections)	50,000
Earmarked Capital Reserves	1,650,000
Usable Capital Receipts	31,292
<b>Actual Balances Held as at 1st April 2024</b>	<b>1,993,132</b>
<b>Estimated Contribution to Balances in 2024/25:</b>	
Estimated 2024/25 Revenue Budget Saving	97,350
2024/25 Contribution to Earmarked Reserves	75,000
Capital Contribution Received	3,876
Vehicle and Machinery Sales Capital Receipts	4,563
<b>Estimated Use of Balances 2024/25:</b>	
Estimated Financing of 2024/25 Capital Programme	(302,665)
Use of Budget Support Reserve	(33,181)
Use of HMRC Leisure VAT Reserve	(19,500)
Use of Community Benefit Fund	(1,000)
Use of Usable Capital Receipts	(19,347)
<b>Estimated Balances Held as at 31<sup>st</sup> March 2025</b>	<b>1,798,227</b>

6.2 Taking into account the forecast saving on the 2024/25 Revenue Budget of £97,350 and the £75,000 contribution to capital reserves, and the estimated financing of the 2024/25 Capital Programme at £302,665 as highlighted in this report, Council Balances and Reserves would reduce by around £194,900 from £1.993 million to £1.798 million over the course of the 2024/25 financial year.

6.3 The Council has maintained a healthy level of balances, and this positive financial situation is a significant achievement in these ongoing challenging economic times and an endorsement of the prudent management and planning of the Council's finances over the last few years and the actions taken by the Council to set aside contingency resources in the Revenue Budget, restrict capital expenditure, and build up the Council's balances and reserves over a number of years.

6.4 This is particularly at a time when the Medium-Term Financial Plan continues to forecast significant capital investment commitments (around £3.9 million over the next ten years) and diminishing balances and reserves over the medium term and when the prospect of replenishing balances and reserves has been reduced by the reductions made to the Revenue Budget.

6.5 Replenishment of balances and reserves is something that will need to be closely considered in the 2025/26 budget setting exercise and future updates of the Medium-Term Financial Plan.

## 7.0 Balance Sheet Issues

7.1 In line with best practice guidance on balance sheet management, it is also considered prudent to report on and consider the following key areas from the Council's Balance Sheet, that may have a material impact on the Council's finances if not reviewed on a regular basis:-

- External loan debt i.e. monies borrowed by the Council.
- Short term investments i.e. surplus cash invested by the Council.
- Debtors i.e. sums owed to the Council by its customers.

## 7.2 External Loan Debt

The Council currently has one annuity loan with the Public Sector Loans Board.

The total amount outstanding at the beginning of the financial year was £68,050.

Interest payable on the loan will total £3,400 in the current financial year, while principal repayments will total £11,000.

**The total balance of loans outstanding at the 31st March 2025 will therefore be £57,050.**

Options for the possible refinancing or early repayment of the Council's outstanding loans are kept under regular review by the Finance Manager and proposals would be brought forward for consideration by Members if it was considered financially advantageous to do so.

There are currently no plans to repay early or undertake any additional borrowing over the five-year period of the Medium-Term Financial Plan.

## 7.3 Short Term Investments

The Council's short-term investments are made up of the Council's surplus cash flow resources and its earmarked balances and reserves.

**At 30<sup>th</sup> September 2024, the Council had £53,384 invested in a deposit account with the Council's bank, and a further £1,850,000 invested in the Public Sector Deposit Fund.**

Investment income in respect of interest on balances has improved recently, the interest rate on the Public Sector Deposit Fund running at around 4.99% and the deposit account at around 1.5%.

Total investment income for the year is projected to be up on budget as a result.

The Council's Treasury Management Code of Practice includes the Council's borrowing and investment strategy and sets out the arrangements for managing the Council's loans and investments.

## 7.4 Debtors

Debtors are any outstanding income that is due to the Council and relate mainly to fees and charges for services the Council provides that have not yet been paid for by the customer.

Prompt recovery of debt has a positive effect on the Council's cash-flow and outstanding debt should therefore be actively managed so as to minimise payment times and debts written off as uncollectable.

Debt recovery action is the responsibility of the Finance Section and the Council's Income Collection and Debt Recovery Policy sets out the procedures to be followed by the Finance Section and all staff with responsibility for raising debtor's invoices.

The level of outstanding debt at 30<sup>th</sup> September 2024 included three debtors, with a total value of £9,532, outside of their approved payment terms. Two of these have subsequently been paid (£332).

The Council's outstanding debt position will continue to be closely monitored and reported to Committee every quarter.

## **8.0 Policy Implications**

8.1 The undertaking of regular budget monitoring and control and reporting of the Council's financial position to the Policy and Resources Committee assists the Council in delivering Aim 2 of the Council's Aims and Targets –

*"To manage the Council's finances and assets in a responsible manner".*

## **9.0 Staffing Implications**

9.1 The expected outturn projections and explanations of variances have been included following consultation and agreement with the responsible budget managers controlling the income and expenditure on the budgets.

## **10.0 Financial Implications**

10.1 The financial implications for the Council are fully set out in the report.

## **11.0 Crime and Disorder Implications**

11.1 None.

## **12.0 Equal Opportunities Implications**

12.1 None.

## **13.0 Environmental, Biodiversity and Climate Change Implications**

13.1 None.

## **14.0 Risk Assessment**

14.1 Budgetary control is a key factor in effective risk management as it contributes towards the prudent management of the Council's finances by ensuring Members are informed of any potential budget problems at an early stage, thereby allowing remedial action to be taken.

14.2 Formal risk assessments are also undertaken at the time the Council sets its annual Revenue and Capital Budget and also when it approves its Annual Governance and Accountability Return and Medium-Term Financial Plan.

## **15.0 General Data Protection Regulations (GDPR)**

15.1 There is no personal or sensitive data required for this proposal which may have any implications for GDPR.

## **16.0 Recommendations**

16.1 It is recommended that Members:-

- a. Receive the six-month financial position on the Council's 2024/25 Revenue and Capital Budgets and the early projection of year-end expected outturn; and
- b. Receive a further Revenue and Capital Budget Position Report at the January Policy and Resources Committee, detailing the financial position as at 31<sup>st</sup> December 2024 and an updated projection of expected outturn.