

Title: Q2 Budget Update 2023/24  
Lead Officer: Steven Leathley (01926 456843)  
Portfolio Holder: Councillor Chilvers  
Wards of the District directly affected: All

<b>Approvals required</b>	<b>Date</b>	<b>Name</b>
<b>Portfolio Holder</b>	20/11/23	Councillor Chilvers
<b>Finance</b>	20/11/23	Steven Leathley
<b>Legal Services</b>		
<b>Chief Executive</b>	14/11/23	Chris Elliot
<b>Director of Climate Change</b>	14/11/23	Dave Barber
<b>Head of Service(s)</b>	14/11/23	Andrew Rollins
<b>Section 151 Officer</b>	14/11/23	Andrew Rollins
<b>Monitoring Officer</b>	14/11/23	Graham Leach
<b>Leadership Co-ordination Group</b>		
<b>Final decision by this Committee or rec to another Cttee / Council?</b>	Yes	
<b>Contrary to Policy / Budget framework?</b>	No	
<b>Does this report contain exempt info/Confidential? If so, which paragraph(s)?</b>	No	
<b>Does this report relate to a key decision (referred to in the Cabinet Forward Plan)?</b>		
<b>Accessibility Checked?</b>	Yes	

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## Summary

The report provides an update on the current financial position as at 30th September 2023, providing a full year forecast for the 2023/24 financial year, and for the medium term through the Financial Strategy. Key variances and changes are highlighted to inform members, with some recommendations also being put forward for their consideration.

The Medium-Term Financial Strategy shows that the Council is still reliant on making further changes to ensure that the Council operates within a balanced sustainable budget in future years, in addition to delivering the service initiatives previously agreed in December 2020, and last updated as part of the 2023/24 Budget Setting. With the significant risks facing the Council's finances in future years, it is important that officers and members take all actions to ensure that the change management programme is developed to enable the Council to achieve this objective.

## Recommendation(s)

- (1)** That Cabinet notes the latest current year financial position for (General Fund £0.600m Adverse and Housing Revenue Account £0.436m Adverse), with the key variations that drive these positions.
  - (2)** That Cabinet notes the impact on the Medium Term Financial Strategy (MTFS) due to changes detailed within the report, and how these changes are expected to be accommodated.
  - (3)** That the Council agrees the ongoing forecast deficit outlined in the MTFS is reviewed further as part of a later report to Cabinet once proposals for tackling the deficit have been developed.
  - (4)** The Cabinet notes the current capital variations for schemes originally approved in February 2023 and approves all changes.
  - (5)** That the Cabinet recommend to Council that the members allowance and allowance for the Chairman and Vice Chairman of the Council up rating for 2023/24 be 3.8%.
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## 1 Current year variances - General Fund

A full review and full year forecast have been completed by all Cost Centre Managers to estimate the total financial commitment for this current year. Accountancy has supported managers in the preparation of these figures. As at 30<sup>th</sup> September (end of Quarter Two) there is an adverse forecast variance of £0.600m for the 2023/24 financial year to 31<sup>st</sup> March.

Department / Portfolio	Budget	Forecast Q2	Variance
<b>General Fund</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Customer & Digital Services	742	1,147	405
Finance	1,677	962	(715)
Housing Services - GF	3,533	2,213	(1,320)
Neighbourhood & Assets	11,110	12,449	1,339
People and Communication	74	136	62
Place, Arts & Economy	12,551	13,772	1,221
Safer Communities, Leisure & Environment	6,208	6,292	84
Strategic Leadership	1,833	1,357	(476)
<b>General Fund Total</b>	<b>37,728</b>	<b>38,328</b>	<b>600</b>

A summary by Portfolio of major variances is provided below:

Quarter Two Variations		£000	Favorable (F) / Adverse (A)
<b>Customer &amp; Digital Services</b>			
1.1.2.1	Benefits General - Homelessness Rent Rebates	162	A
1.1.2.2	Digital by Default	210	A
<b>Finance</b>			
1.1.3.1	Contingency Budgets	(721)	F
1.1.3.2	External Audit Fee	36	A
<b>Housing Services - General Fund</b>			
1.1.4.1	Housing Strategy & Development	(150)	F
1.1.4.2	Homelessness/Housing Advice	(1,070)	F
1.1.4.3	Rough Sleeping Initiative	(63)	F
<b>Neighbourhood &amp; Assets</b>			
1.1.5.1	Car Parking	160	A
1.1.5.2	Relocation of Riverside House	313	A
1.1.5.3	Crematorium	172	A
1.1.5.4	Waste Management	571	A
<b>People &amp; Communication</b>			
1.1.6.1	Media Team	35	A
1.1.6.2	Centralised Occupational Health	30	A
1.1.6.3	Apprentiship Scheme	(37)	F
1.1.6.4	Team Building	25	A
<b>Place, Arts &amp; Economy</b>			
1.1.7.1	Planning & Development	968	A
1.1.7.2	Building Control	51	A
1.1.7.3	Town Hall	91	A
1.1.7.4	Women's Cycle Tour	(30)	F
1.1.7.5	Enterprise Development	75	A
<b>Safer Communities, Leisure &amp; Environment</b>			
1.1.8.1	Green Spaces	157	A
1.1.8.2	Abbey Field Cycle Track	(160)	F
1.1.8.3	Community Safety	41	A
1.1.8.4	Environmental Protection	23	A
1.1.8.5	Bowling Facilities	17	A
<b>Strategic Leadership</b>			
1.1.9.1	Elections	44	A
1.1.9.2	Trees for Future	(606)	F
1.1.3.3	Climate Emergency	40	A
1.1.3.4	Democratic Representation	35	A

### 1.1.1 Salary Costs (General Fund).

- 1.1.1.1 As part of the Vacancy Factor process for Q2, a full year forecast for all salary budgets has been completed, with the Vacancy Factor being offset against forecast underspends in salary budgets. This forecasts that 100% of the General Fund Vacancy Factor (£1.132m) has been met. This will be reassessed in Q3 and if any further savings against establishment will be reported.
- 1.1.1.2 Agency use is currently forecast over budget by £0.464m. A further review on the use of agency staffing will be carried out as part of a wider review into long-term vacancies held by the Council, forming part of the ongoing work in improving recruitment.

### 1.1.2 Customer & Digital Services.

- 1.1.2.1 As reported in Q1. An increase in Homelessness Rent Rebates for which the authority does not receive full government subsidy. The number of residents claiming this allowance, and the duration for which they claim it, has increased in recent years, while the subsidy has remained at a level set back in 2011 (Local Housing Allowance Rate). Further work will take place to look at the accommodation in which people are placed, and whether there is more that can be done to reduce durations, particularly in accommodation such as hotels and B&B's which are not fully reimbursed by the subsidy.
- 1.1.2.2 Digital by Default savings not realized in year. The original plan to introduce Arcus system with the Authority has been withdrawn as agreed by committee report completed by the Head of Service.

### 1.1.3 Finance.

- 1.1.3.1 As reported in Q1. At budget setting in February 2023, contingency budgets were set to mitigate the unknown rising costs of contracts linked to inflation. These are held and managed centrally by the Head of Finance. In Q1, the contingency budgets have been forecast to offset some of the increased expenditure reflected in this report.
- 1.1.3.2 Increase cost of External Audit for the completion of the 2021/22 Statement of Financial Accounts, this is partly due to the additional work required due to the change of Financial System mid-year of 2021/22, and extra scrutiny required from our External Auditors.

### 1.1.4 Housing Services – General Fund.

- 1.1.4.1 As reported in Q1. A Service level agreement (SLA) is in place between Warwick District Council (WDC) and Milverton Homes, covering the cost of staff time and consultancy work. This income was not budgeted for at budget setting. The costs relating to this SLA will continue to be updated on an annual basis.
- 1.1.4.2 As reported in Q1. The Council has received an increase in grant for Homelessness Advice, which will be used in conjunction with previously allocated budgets within the homelessness service. The grant is ring-fenced to support the delivery of this specific service.

1.1.4.3 Reduced Move on & Prevention Grant received in year offset against reduce expenditure in donations and Expenses.

#### 1.1.5 Neighborhood & Assets.

1.1.5.1 As reported in Q1. Car Parking. There has been a loss of income due to the closure of Covent Garden Car Park (only the surface car park remains open) of £0.230m. The closure of Linen Street car park means no charges will be made in year, but there are still an ongoing cost for the car park of £0.050m as the basement is still used by tenants. Other car parks in Leamington have had their income projections increased, totaling £120k, as part of assessing data from this year to date and last year, with a driver of this being the displacement of vehicles from Covent Garden. As part of the 2024/25 fees and charges process due to commence at the start of September, a comprehensive review of our Car Parking portfolio will be carried out.

1.1.5.2 As reported in Q1. The original budget set in February 2023 estimated that WDC would move out of Riverside House in June 2023. The additional running costs for continuing to occupy Riverside House is estimated at £0.322m for this financial year.

1.1.5.3 Crematorium. Revised income projection for crematorium fees based on current activity. This adjustment has been reflected within the Fees & Charges report for 2024/25 and is more realistic to the income the service will receive in this financial year and next.

1.1.5.4 Waste Management. It has now been confirmed that WDC will receive Dry Waste Income form the new Sherbourne MRF. This will come into effect in the last quarter of the year. A prediction of income has been incorporated into the Forecast for Q2, once sales are made this will be reviewed and adjusted if required. At Budget setting the overall budget was not set high enough, based on information received from third parties, thus showing an overspend. This service is expected to match estimated cost within the year. The Budget issue will be resolved in Budget setting 2024/25.

#### 1.1.6 People & Communications.

1.1.6.1 Reduced external printing income and reduced internal income from printer clicks estimated in year, this has been partially offset by reduced printing expenditure. Additional costs after HAY review have been included in the forecast and will revised in Budget Setting 2024/25.

1.1.6.2 As reported in Q1. The centralised Occupational Health Budget is showing a forecast over budget, this estimate is based on the costs for last financial year, which were higher that agreed budget.

1.1.6.3 As reported in Q1. Due to the profile of current Apprentices, there is a surplus forecast within apprenticeship salaries. This relates to new apprentices being employed at initial programme rates.

1.1.6.4 Team Building. Budget to be vired into this account from underspend in previous year Applause Box, not completed in the accounts until 2022/23 closedown completed.

### 1.1.7 Place, Arts & Economy.

- 1.1.7.1 Planning fees reduced income based on current performance at Q2. This has not improved from Q1 and a lack of larger planning applications through the first half of the year has reduced the Outturn forecast. From 1<sup>st</sup> April 2024, new legislation allowing the increase in planning fees of 25% for small applications, and 35% for larger application will increase the value of planning income, although the current predictions show this will not meet Budget and will still show under achieved. Within the Service large Staff Agency cost continue which compounds the financial position with the reduction in income. Further review within this service is required for Budget Setting 2024/25 on both cost and income to ensure that it is with Budget constraints.
- 1.1.7.2 Building control reduction of income due to the service provision provided for Daventry returning to West Northamptonshire Council. This has been partially offset by a reduction in service delivery costs.
- 1.1.7.3 As reported in Q1. Due to the partial closure of the Town Hall for development, a loss of income has been forecast of £0.055m as the Council is unable to hire space out during this time.
- 1.1.7.4 As reported in Q1. The Women's cycle tour due to take place in 2023 was unfortunately cancelled. Therefore the £0.030m budget in place will not be used in year. The event is scheduled to go ahead in 2024, and so it is expected that the budget will be carried forward to support this taking place.
- 1.1.7.5 New contract for Softcat install, equipment and managements fees included within this forecast. This will be reviewed for budget setting 2024/25. Lost of rent and able to relet space at the Creative Quarter.

### 1.1.8 Safer Communities, Leisure & Environment.

- 1.1.8.1 Green Spaces - Extensive works required in the maintenance of our outdoor paddling pools. £0.021m reduction of income from sponsorships and sales of hanging baskets.
- 1.1.8.2 Abbey Field Cycle Track. Budget from New Homes Bonus in 2023/24 will not be used, this is to be deferred to 2024/25.
- 1.1.8.3 Community Safety. Increase in staffing costs approved by ERF to cover sickness.
- 1.1.8.4 Increase in Consultancy and staffing costs within the Service.
- 1.1.8.5 As reported in Q1. Bowls income budget unachievable, this will be reviewed at budget setting 2024/25

### 1.1.9 Strategic Leadership.

- 1.1.9.1 Elections. Increase in costs relating to new Voter ID now realized after final payroll costs, this has been partially offset by an increase in external grant received.
- 1.1.9.2 Trees for Future. Funding was provided to address the most complex barriers to tree planting, including access to land. To date no land has been purchased (although progress is being made via work with Forestry England) and the approach to the tree project is being reviewed to ensure alignment with the new Corporate Strategy (and links to Biodiversity Action

Programme). Whilst land purchase may still be required (depending on the review) it is unlikely that this will be required in 2023/24 thus leading to the projected underspend.

- 1.1.9.3 Staffing cost increase to include Climate Change Projects and Delivery Officer. This post and overspend is to be funded by approved S106 funds.
- 1.1.9.4 Anticipated costs of the basic allowance showing a forecasted overspend in year. The Service Manager, supported by Accountancy to review and improve the monitoring process for future forecasts, and incorporate this into Budget setting for 2024/25.

## 1.2 Current year variances – Housing Revenue Account (HRA).

- 1.2.1 Variations have been identified by the Accountancy Team in conjunction with the relevant budget managers, giving a full year adverse variance of £0.436m.

Department / Portfolio	Budget	Forecast Q2	Variance
<b>Housing Revenue Account (HRA)</b>			
Housing Services - HRA	0	436	436
<b>HRA Total</b>	<b>0</b>	<b>436</b>	<b>436</b>

A summary of major variances is provided below:

Quarter Two Variations		£000	Favorable (F) / Adverse (A)
<b>Housing Revenue Account</b>			
1.2.3	Beauchamp House	(93)	F
1.2.4	Warwick Response	171	A
1.2.5	Communal Areas	227	A
1.2.6	Garage Repairs	110	A

- 1.2.2 As part of the Vacancy factor process for Q2, A full year forecast of all Salary budgets has been completed and the Vacancy factor calculations have been made. This forecasts that 100% of the for HRA Vacancy Factor (£0.235m) has been met. This will be reassessed in Q3 and if any further savings against establishment will be reported.
- 1.2.3 Beauchamp House. Rent Rebates received higher than original Budget which is consistent with previous years income. This will be reviewed and updated as part of the Budget Setting 2024/25.
- 1.2.4 Warwick Response. Income received from HEART funding in 2022/23 and accounted for and used within 2023/24. This has been offset against increase staffing costs within the team, including the use of Agency. Increased equipment costs not budgeted (Income received in year but expenditure not budgeted high enough).
- 1.2.5 Communal Areas. Increase in expenditure relating to Cleaning Contract not Budgeted in year.
- 1.2.6 Garage Repairs. Increase in costs of Garage repairs in year compared to budget, estimated based on spend to date and known costs to the end of the Financial Year.

### 1.3 Medium Term Financial Plan (MTFS). Recommendations 2 & 3

1.3.1 The MTFS was last formally reported to members in February as part of the Budget setting and Council Tax setting reports. At that stage the profile of revenue savings to be found was as follows:

	2023/24	2024/25	2025/26	2026/27	2027/28
	£000	£000	£000	£000	£000
Deficit-Savings Req (+)/Surplus (-) future years	0	4,334	2,476	1,525	1,501
Change on previous year	0	4,434	(1,858)	(951)	(24)

1.3.2 In light of the variations highlighted in this report, the MTFS has been updated as outlined below:

	2023/24	2024/25	2025/26	2026/27	2027/28
	£000	£000	£000	£000	£000
Deficit-Savings Req (+)/Surplus (-) future years	600	4,334	2,476	1,525	1,501
Change on previous year	600	3,734	(1,858)	(951)	(24)

1.3.3 It is expected that some of the variances highlighted at Q2 may become recurrent (housing benefits / waste contract), or are linked to ongoing decisions (Relocation project). Further work will be undertaken to assess their future impact and will be reflected in the Q3 budget review MTFS update.

1.3.4 It should be noted that the above revised MTFS does not include any provision for additional costs associated with the Abbey Fields Leisure Centre Project. Once confidential negotiations are concluded, all Councillors will be informed. If the decision is to then proceed with the project, the MTFS will be updated accordingly. It is expected that this decision will be made in time for inclusion in the MTFS as part of the 2024/25 Budget report in February.

1.3.5 Officers are continuing to review ways of reducing the deficit, including income generation, service efficiency and cost saving schemes, with the expectation that an update will be provided within the Q3 report in March, and help inform decisions for the budget setting process 2024/25.

### 1.4 Capital Forecast 2023/24 - Recommendation 4.

1.4.1 Capital currently forecasts a reduction in funding requirement in year of £12.662m for General Fund and £7.437m for HRA. A full breakdown of Capital Variances is shown in Appendix 1.



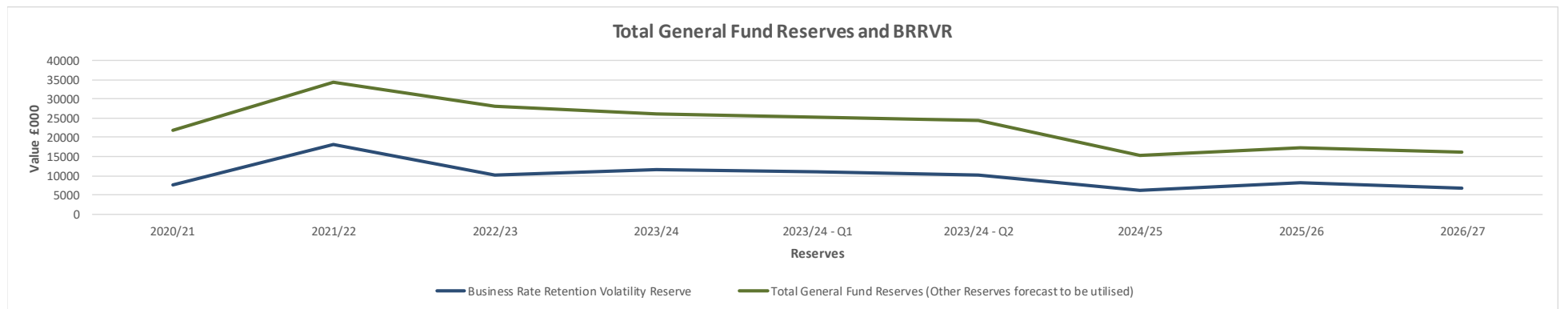
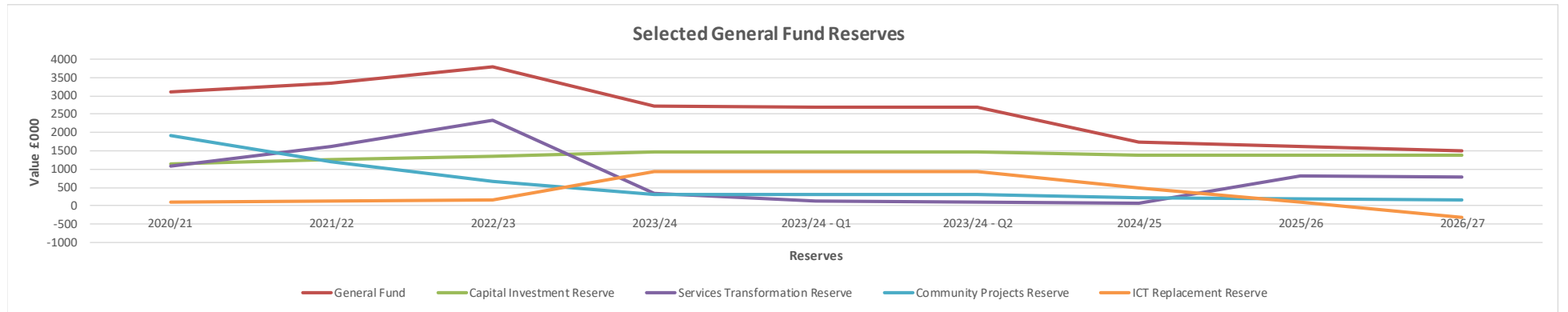
## 1.5 **Reserves**

- 1.5.1 The below table presents the latest summary of available reserves as at Q2. This reflects non committed, and non-ringfenced balances as at Budget Setting reports approved at Cabinet February each Financial Year, and ranges from 1<sup>st</sup> April 2020 (Showing previous 3 years and current year) up to 1 April 2027 (the period covered by the current MTFS).

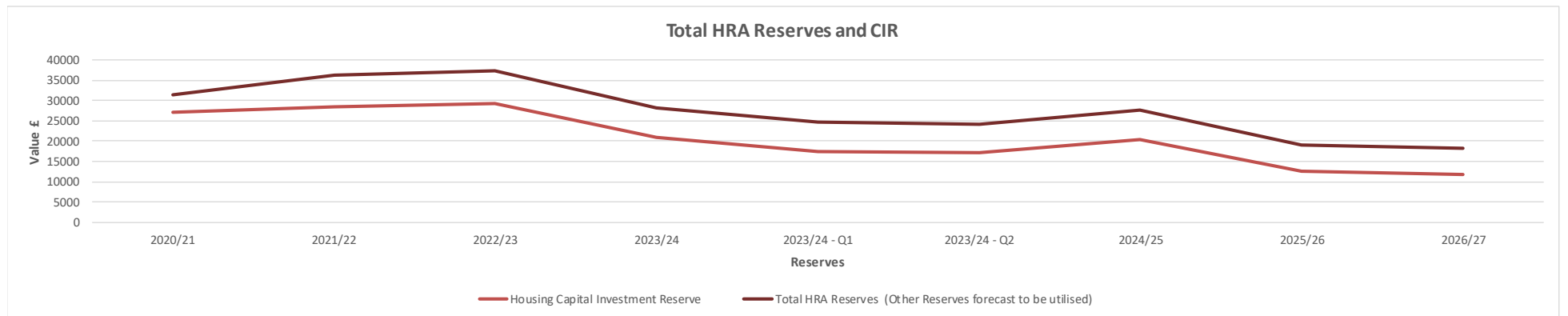
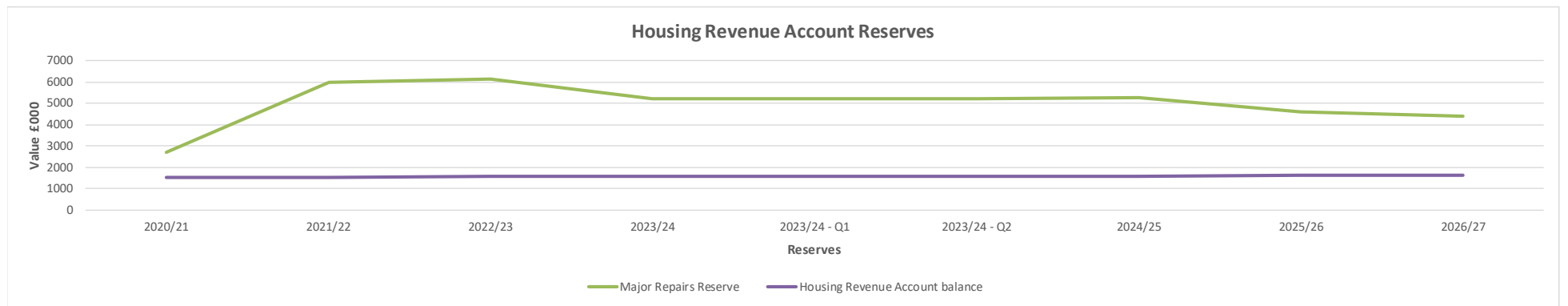
This is subject to the final outturn of 2022/23 financial position, which is being completed as part of the draft statement of accounts process and to be reported to Cabinet.

The adjustments reflect approvals made since Budget Setting by Cabinet, showing those approved and reported in Q1, and those approve between Q1 reporting and now.

General Fund Reserve	Notes	2020/21	2021/22	2022/23	2023/24	2023/24 - Q1	2023/24 - Q2	2024/25	2025/26	2026/27
		1st April	1st April	1st April	Est	Est	Est	Est	Est	Est
		£000	£000	£000	£000	£000	£000	£000	£000	£000
General Fund	minimum agreed balance £1.5m	3,118	3,341	3,776	2,707	2,696	2,696	1,747	1,617	1,493
Capital Investment Reserve	minimum agreed balance £1.0m	1,153	1,256	1,356	1,456	1,456	1,456	1,383	1,383	1,383
Services Transformation Reserve		1,087	1,632	2,330	350	124	106	71	803	778
Community Projects Reserve		1,919	1,210	656	321	321	321	221	196	171
ICT Replacement Reserve		94	132	162	934	934	934	483	112	(309)
Business Rate Retention Volatility Reserve	£10m Agreed Balance ahead of anticipated Business rate reset in 2025/26 is achieved.	7,522	18,110	10,272	11,485	11,001	10,061	6,265	8,118	6,630
<b>Total General Fund Reserves (Other Reserves forecast to be utilised)</b>		<b>21,924</b>	<b>34,443</b>	<b>28,065</b>	<b>26,023</b>	<b>25,228</b>	<b>24,270</b>	<b>15,261</b>	<b>17,204</b>	<b>16,145</b>
Changes in Year			12,519	(6,378)	(2,042)	(795)	(958)	(9,009)	1,943	(1,059)



Housing Revenue Account Reserve	2020/21	2021/22	2022/23	2023/24	2023/24 - Q1	2023/24 - Q2	2024/25	2025/26	2026/27
	1st April	1st April	1st April	Est	Est	Est	Est	Est	Est
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Housing Capital Investment Reserve	27,051	28,495	29,206	21,023	17,495	17,051	20,332	12,462	11,798
Major Repairs Reserve	2,703	5,996	6,150	5,206	5,206	5,206	5,263	4,605	4,408
Housing Revenue Account balance	1,511	1,513	1,552	1,579	1,579	1,579	1,579	1,606	1,637
Housing Early Retirements Reserve	41	21	21	41	41	41	61	81	101
HRA Rough Sleeping Initiative Reserve	61	262	262	262	262	262	262	262	262
<b>Total HRA Reserves (Other Reserves forecast to be utilised)</b>	<b>31,367</b>	<b>36,287</b>	<b>37,191</b>	<b>28,111</b>	<b>24,583</b>	<b>24,139</b>	<b>27,497</b>	<b>19,016</b>	<b>18,206</b>
Changes in Year		4,920	904	(9,080)	(3,528)	(444)	3,358	(8,481)	(810)



## **1.6 Members Allowance - Recommendation 5**

- 1.6.1 The members allowances scheme defines that “[...] shall be increased by the annual local government pay percentage increase as agreed each April (linked to spinal column point 38 of the JNC scheme) to be implemented the following May in that year from the date of the Council Annual Meeting”.
- 1.6.2 This year the pay award for all JNC scale points was £1,925. Following consultation with the Leadership Co-ordination Group, it was proposed that 3.8% be the increase for this year. This was based on the basic allowance and how that equated to salaries for officers. The Independent Remuneration Panel for the Council were consulted on this proposal and raised no objections. This will have an adverse effect on the budget of over £16,000 before any on costs (national insurance contributions) are included.
- 1.6.3 In 2023/24, this will be funded from existing staffing budgets, and will be built into future budgets as baseline growth.

## **2 Alternative Options**

- 2.1 No alternative options are presented.

## **3 Legal Implications**

- 3.1.1 The proposals are in line with current legislation where applicable.

## **4 Financial Services**

- 4.1.1 Officers review current year budgets against outturn on a monthly basis at the same time as considering their implications for the medium term. Members are updated on a quarterly basis. As part of this process budget managers are asked to review both their salary position and revenue position through returns with Accountancy, and update / comment as necessary. This process has been strengthened over the last few years through increased formalisation. Further reviews and changes to this process will be implemented through utilisation of the new Financial Management System (FMS).
- 4.1.2 The Budget Review Process provides a planning tool to ensure resources are directed to the Council’s priorities. Alongside the Council’s own activities, external factors influencing its finances are also taken into consideration, for example Central Government Financing, the Business Rates Retention scheme, changes in legislation and the economy.
- 4.1.3 The Council maintains its Reserves to deliver Capital and other projects, and to ensure that there are sufficient resources available to manage unforeseen demands and continue to deliver its services. Close monitoring of these Reserve balances and Capital Programme, together with plans to replenish them will preserve the financial stability of the organisation for future years.
- 4.1.4 Members will note the significant change in the profile of the Medium Term Financial Strategy as a result of developments within Q1. Therefore, it is essential that the Council continues to work towards delivering new proposals in addition to the proposals agreed in December 2020, and updated as part of the Q1 Budget Report. This will ensure the Council is not being run at a deficit on the provision of services, and can continue to deliver a balanced budget.

## **5 Corporate Strategy**

- 5.1 Warwick District Council has adopted a Corporate Strategy which sets three strategic aims for the organisation.
- 5.2 Delivering valued, sustainable services.
- 5.3 Low cost, low carbon energy across the district.
- 5.4 Creating vibrant, safe and healthy communities of the future.

## **6 Environmental/Climate Change Implications**

- 6.1 WDC has a budget of £500,000 per annum for Climate Change. It is proposed to utilise this for 2023/24 to support a number of priorities within the Climate Change Action programme.

## **7 Analysis of the effects on Equality**

- 7.1 Not relevant.

## **8 Data Protection**

- 8.1 Not relevant.

## **9 Health and Wellbeing**

- 9.1 Not relevant.

## **10 Risk Assessment**

- 10.1 The February Budget report detailed the main financial risks facing the Council. Many of these related to local authority funding, notably Business Rate Retention.
- 10.2 Many controls and mitigations are in place to help manage the financial risks facing the Council. These include:
  - 10.2.1 The comprehensive Budget Review process. This entails all budget managers reviewing their budgets on at least a monthly basis, considering previous, current, and future years, along with any possible issues that may impact upon their budgets. As part of this process, regular Budget Review reports are issued to Cabinet and the Senior Leadership Team.
  - 10.2.2 Financial Planning with the MTFS / financial projections, bringing together all issues that will impact on the Council's finances in the medium term.
  - 10.2.3 Financial controls, including the Codes of Financial and Procurement Practice, system controls, reconciliations, audit (internal and external).
  - 10.2.4 Project Management and associated controls.
  - 10.2.5 Trained staff and access to appropriate professional advice (e.g. Legal).
  - 10.2.6 Implementation and continued development of the new Financial Management System.
  - 10.2.7 Risk Management process across the Council, including the on-going review and maintenance of risk registers.
  - 10.2.8 Scrutiny by members of the Council's finances, including Budget Reports, and the financial implications of all proposals.
  - 10.2.9 Reserves – The Council holds a number of reserves, with each being allocated for specific purposes. Whilst much of these reserves have already been

earmarked for agreed projects, it is important that reserves are held for any unforeseen demands. The use of the Business Rate Retention Volatility Reserve does reduce the forecast balance on this reserve to around £10m. It was agreed as part of budget setting in February that the balance should not go below this amount ahead of the business rate reset expected in 2025/26. Therefore any changes to this assumption would require the risks to be analysed.

10.2.10 The General Fund Balance is available to accommodate any unplanned expenditure, or to make up any shortfall in income. However, the Council should seek to maintain the balance of at least £1.5m.

10.2.11 The specific causes of reductions to income or increased expenditure should continue to be managed by the relevant Service Area as part of managing the risks within each Service Risk Register. Each Service Area's Risk Register is presented to Finance and Audit Scrutiny Committee annually on a rolling basis.

**Background papers:**

Budget setting 23-24 Report (Cabinet 9 February 2023 – Item 7)

Housing Revenue Account (HRA) Budget 2023/24 and Housing Rent Setting (Cabinet 9 February 2023 – Item 8)

**Supporting documents:**

Appendix 1 – Capital Variations 2023/24.

Appendix 2 - Reserves