READING BOROUGH COUNCIL

REPORT BY DIRECTOR OF FINANCE

TO:	AUDIT & GOVERNANCE COMMITTEE		
DATE:	12th APRIL 2023		
TITLE:	2022/23 QUARTER 3 PERFORMANCE AND MONITORING REPORT		
LEAD COUNCILLOR:	COUNCILLOR TERRY	PORTFOLIO:	CORPORATE SERVICES AND RESOURCES
SERVICE:	FINANCE CORPORATE IMPROVEMENT AND CUSTOMER SERVICES	WARDS:	BOROUGHWIDE
LEAD OFFICER:	STUART DONNELLY	TEL:	
JOB TITLE:	FINANCIAL PLANNING & STRATEGY MANAGER	E-MAIL:	stuart.donnelly@reading.gov.uk

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

1.1 The 2022/23 Quarter 3 Performance and Monitoring Report was presented to Policy Committee on 13th March 2023. This report sets out the projected revenue and capital outturn positions for 2022/23 for both the General Fund and the Housing Revenue Accounts as at the end of Quarter 3 (December 2022).

1.2 The report also sets out performance against the measures of success published in the Council's Corporate Plan.

2. RECOMMENDED ACTION

That Audit & Governance Committee note:

2.1 The 2022/23 Quarter 3 Performance and Monitoring Report and the recommendations set out and approved by Policy Committee on 13th March 2023.

READING BOROUGH COUNCIL

REPORT BY DIRECTOR OF FINANCE

TO:	**POLICY COMMITTEE**		
DATE:	**13th MARCH 2023**		
TITLE:	**2022/23 QUARTER 3 PERFORMANCE AND MONITORING REPORT**		
LEAD COUNCILLOR:	**COUNCILLOR TERRY**	**PORTFOLIO:**	**CORPORATE SERVICES AND RESOURCES**
SERVICE:	**FINANCE** **POLICY, PERFORMANCE & CUSTOMER SERVICES**	**WARDS:**	**BOROUGHWIDE**
LEAD OFFICER:	**STUART DONNELLY**	**TEL:**	**01889 373468**
JOB TITLE:	**FINANCIAL PLANNING & STRATEGY MANAGER**	**E-MAIL:**	**stuart.donnelly@reading.gov.uk**

1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

1.1 This report sets out the projected revenue and capital outturn positions for 2022/23 for both the General Fund and the Housing Revenue Account as at the end of Quarter 3 (December 2022).

General Fund (Revenue)

1.2 The forecast General Fund (GF) revenue outturn position at the end of Quarter 3 includes a projected adverse net variance on service expenditure of £3.985m. The forecast adverse variance on services includes net pressures totalling £1.316m within Adult Care and Health Services relating to care cost pressures; £1.369m within Economic Growth and Neighbourhood Services, primarily relating to ongoing income shortfalls in Car Parking and Planning as an ongoing impact of Covid-19; £0.871m within Brighter Futures for Children (BFfC), primarily relating to Childrens' Social Care; £0.290m within Resources and £0.139m within Chief Executive Services. Detailed explanations for these variances are contained in Section 4 of this report.

1.3 A corporate contingency of £3.627m was set for 2022/23 following a detailed assessment of risk. This contingency is now released to offset most of the adverse variance on service expenditure. In addition, other Corporate Services budgets are forecast to deliver a positive net variance of £3.665m, including a positive variance of £2.505m against the Capital Financing budget (further details are set out in paragraph 4.44).

1.4 Other Corporate Budgets are forecasting a positive net variance of £1.160m. This variance includes a pressure of £0.954m relating to the 2022/23 pay award. This pressure on pay inflation is more than offset by positive net variances of £2.114m within Other Corporate Budgets due to the release of all unspent contingencies and the forecast reduction in the bad debt provision.

1.5 Overall, this results in a projected overall positive net variance of £3.307m, which is an improvement of £2.040m from Quarter 2.

1.6 It is recommended that should the forecast positive variance on the General Fund revenue budget crystallise at the end of the financial year, that this balance is transferred into earmarked reserves to support the Capital Programme.

1.7 £5.289m (52%) of budgeted savings have been delivered (blue) to date in this financial year, with a further £1.745m (17%) of savings on track to be delivered (green) by March 2023. £2.601m (25%) of savings are currently categorised as non-deliverable (red) and £0.589m (6%) categorised as at risk of delivery (amber). There is therefore a potential impact on the 2023/24 budget should these savings not be deliverable on a recurring basis. These savings are being reviewed as part of the 2023/24 budget setting and 2023/24-2025/26 Medium Term Financial Strategy processes.

Housing Revenue Account

1.8 The Housing Revenue Account (HRA) is projecting a positive net variance of £2.103m as at the end of Quarter 3, which results in a forecast contribution to HRA reserves of £0.051m. Further detail is provided in Section 10.1.

Capital

1.9 The General Fund Capital Programme is forecasting a positive net variance of £1.671m against a proposed revised budget of £74.517m in 2022/23. This variance relates to £0.817m of the Delivery Fund that has not yet been allocated to specific proposals as at the end of Quarter 3 and a forecast positive variance of £0.854m on approved Delivery Fund allocations.

1.10 The HRA Capital Programme is forecasting an adverse variance of £0.098m against a revised budget of £29.987m in 2022/23.

Performance

1.11 The report also sets out performance against the measures of success published in the Council's Corporate Plan.

1.12 Of the 27 Corporate Plan Performance Measures monitored monthly or quarterly, 70% are currently "green", 15% "amber" and 15% "red". 56% have improved since Quarter 2, whilst 30% have gotten worse.

1.13 Of the 52 Corporate Plan Projects, 56% are currently "green", 38% "amber" and 6% red".

1.14 Those measures that have shown significant change since Quarter 2 are set out in Appendix 6.

1.15 The detail supporting this report is included in:

- Appendix 1 – Financial Monitoring for Quarter 3
- Appendix 2 – Capital Programme for Quarter 3
- Appendix 3 - Debt Write-Offs.
- Appendix 4 – Corporate Plan Measures for Quarter 3
- Appendix 5 – Corporate Plan Projects for Quarter 3
- Appendix 6 – Corporate Plan Measures Charts for Quarter 3

2 RECOMMENDED ACTIONS

That Policy Committee notes:

2.2 The forecast General Fund revenue outturn position as at the end of Quarter 3 is a positive net variance of £3.307m;

2.3 The Housing Revenue Account (HRA) is projecting a positive net variance of £2.103m as at the end of Quarter 3, which results in a forecast contribution to HRA reserves of £0.051m;

2.4 £5.289m (52%) of savings have been delivered (blue) to date in this financial year, with a further £1.745m (17%) of savings on track to be delivered (green) by March 2023. £2.601m (25%) of savings are currently categorised as non-deliverable (red) and £0.589m (6%) categorised as at risk of delivery (amber);

2.5 There is a total £4.065m Delivery Fund available for 2022/23 (inclusive of 2021/22 approved carry forwards). At Quarter 3, £3.248m of this funding has been allocated out to approved schemes;

2.6 The General Fund Capital Programme is reporting a positive net variance of £1.671m against a proposed revised budget of £74.517m;

2.7 The HRA Capital Programme is forecasting an adverse variance of £0.098m against a revised budget of £29.987m.

2.8 The performance achieved against the Corporate Plan success measures as set out in Section 12 of this report and Appendices 4 and 5.

That Policy Committee approves:

2.9 The intent to transfer the balance of any positive General Fund revenue budget variance at the end of the financial year to earmarked reserves to support the Capital Programme;

2.10 The amendments to the General Fund Capital Programme (as set out in further detail in Section 12 of this report and Appendix 2) resulting in a revised budget of £74.517m;

2.11 Spend approval for the Bus Service Improvement Plan as set out in paragraph 12.9;

2.12 The amendments to the HRA Capital Programme (as set out in further detail in Section 12 of this report and Appendix 2) resulting in a revised budget of £29.987m:

2.13 The write-off of debts as set out in Section 8 and Appendix 3 relating to:

a) Non-Domestic Rates - £111,313.32;

b) Housing Benefit Overpayments - £57,120.48;

c) Sundry Debt - £90,858.25.

3 POLICY CONTEXT

3.1 The Council approved the 2022/23 Budget and Medium-Term Financial Strategy 2022/23 – 2024/25 in February 2022.

4 GENERAL FUND REVENUE

4.1 The forecast outturn as of Quarter 3 is a net positive variance of £3.307m and is broken down by service in the following table:

Table 1. General Fund Forecast 2022/23

	Budget £m	Forecast Outturn £m	Variance £m	Movement from Quarter 2 £m
Adult Care and Health Services	43.921	45.237	1.316	0.084
Economic Growth and Neighbourhood Services	19.837	21.206	1.369	(0.020)
Resources	18.388	18.678	0.290	0.165
Chief Executive Services	1.556	1.695	0.139	0.106
Children's Services retained by Council	0.781	0.781	0.000	0.000
Children's Services delivered by BFfC	48.958	49.829	0.871	0.141
Total Service Expenditure	**133.441**	**137.426**	**3.985**	**0.476**
Capital Financing Costs	16.381	13.876	(2.505)	(0.597)
Contingency	3.627	0.000	(3.627)	0.000
Other Corporate Budgets	(3.459)	(4.619)	(1.160)	(1.919)
Total Corporate Budgets	**16.549**	**9.257**	**(7.292)**	**(2.516)**
Net Budget Requirement	**149.990**	**146.683**	**(3.307)**	**(2.040)**
Financed by:				
Council Tax Income	(104.403)	(104.403)	0.000	0.000
NNDR Local Share	(26.510)	(26.510)	0.000	0.000
New Homes Bonus	(2.038)	(2.038)	0.000	0.000
Section 31 Grant	(12.580)	(12.580)	0.000	0.000
Revenue Support Grant	(2.108)	(2.108)	0.000	0.000
Other Government Grants	(2.404)	(2.404)	0.000	0.000
One-off Collection Fund Deficit	19.981	19.981	0.000	0.000
Section 31 Grants Released from Reserves	(19.928)	(19.928)	0.000	0.000
Total Funding	**(149.990)**	**(149.990)**	**0.000**	**0.000**
Over / (under) Budget	**0.000**	**(3.307)**	**(3.307)**	**(2.040)**

4.2 These variances have been categorised and summarised in the following table, which highlights that the Council is forecasting a total of £9.901m of pressures comprising:

- £1.925m of inflationary pressures, of which £0.954m relate to the agreed employer's pay offer for 2022/23;
- £2.445m of demand pressures across Adult's and Children's Social Care;
- £3.108m of income pressures, predominantly within Economic Growth and Neighbourhood Services, partially due to the ongoing impacts of Covid-19 e.g. the reduced demand on car parking spaces;
- £2.423m of other expenditure pressures across Economic Growth and Neighbourhood Services, Resources, Chief Executive and Children's Services delivered by BFfC.

4.3 These pressures are offset by a total of £13.208m of the following savings and contingencies:

- £3.872m of expenditure savings across services, mainly within Economic Growth and Neighbourhood Services and in particular Environmental and Commercial Services due to lower waste disposal tonnage levels and staffing vacancies, and £1.415m within BFfC mainly due to forecast pressure reductions as reported by the finance team;

- £1.090m of income savings across services, mainly due to £0.410m of additional grant income within BFfC and £0.340m of income over-achievement in Bus Lane Enforcement and On Street Pay & Display Car Parking within Economic Growth and Neighbourhood Services;

- £2.505m of net savings within Capital Financing Costs mainly resulting from the 2021/22 Capital Programme Outturn position;

- £3.627m of unallocated Corporate Contingency;

- £2.114m of savings within Other Corporate Budgets.

4.4 The £0.954m of pressures relating to the agreed employers' pay offer will have an ongoing impact on the Council's Medium Term Financial Strategy as this is a recurring pressure. The other pressures and savings have been reviewed to assess whether or not they are recurring as part of the 2023/24 budget setting and 2023/24-2025/26 Medium Term Financial Strategy processes.

Table 2. General Fund Forecast Variance by Type 2022/23

	Expenditure Pressures			Income Pressures	Total Pressures	Savings			Total Pressures
	Inflation	Demand	Other			Expenditure	Income	Total	
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Adult Care and Health Services	0.000	1.316	0.000	0.000	**1.316**	0.000	0.000	**0.000**	**1.316**
Economic Growth and Neighbourhood Services	0.335	0.000	0.953	2.749	**4.037**	(2.247)	(0.421)	**(2.668)**	**1.369**
Resources	0.000	0.000	0.683	0.076	**0.759**	(0.210)	(0.259)	**(0.469)**	**0.290**
Chief Executive Services	0.000	0.000	0.107	0.032	**0.139**	0.000	0.000	**0.000**	**0.139**
Children's Services retained by Council	0.000	0.000	0.000	0.000	**0.000**	0.000	0.000	**0.000**	**0.000**
Children's Services delivered by BFfC	0.636	1.129	0.680	0.251	**2.696**	(1.415)	(0.410)	**(1.825)**	**0.871**
Total Service Expenditure	**0.971**	**2.445**	**2.423**	**3.108**	**8.947**	**(3.872)**	**(1.090)**	**(4.962)**	**3.985**
Capital Financing Costs	0.000	0.000	0.000	0.395	**0.395**	(1.991)	(0.514)	**(2.505)**	**(2.505)**
Contingency	0.000	0.000	0.000	0.000	**0.000**	(3.627)	0.000	**(3.627)**	**(3.627)**
Other Corporate Budgets	0.954	0.000	0.000	0.000	**0.954**	(1.723)	(0.391)	**(2.114)**	**(1.160)**
Total	**0.954**	**0.000**	**0.000**	**0.000**	**0.954**	**(7.341)**	**(0.905)**	**(8.246)**	**(7.292)**

Corporate Budgets									
Total	**1.925**	**2.445**	**2.423**	**3.108**	**9.901**	**(11.213)**	**(1.995)**	**(13.208)**	**(3.307)**

Adult Care and Health Services - £1.316m adverse variance

4.5 Adult Care and Health Services is forecasting an adverse net variance of £1.316m at Quarter 3, which is an adverse movement of £0.084m since Quarter 2. This pressure relates to the current care cost forecast being £37.111m compared to a budget of £35.795m.

4.6 The forecast adverse variance includes a number of factors:

- Further package reviews to identify savings have been completed during this quarter, but some resources have been re-prioritised to manage the additional flow from hospitals and tackling waiting lists. Additional funding has been provided to support this work and has been factored into the Quarter 3 monitoring;

- DACHS has a total savings target of £1.735m - At Quarter 3, they have achieved £1.443m which is 83% of the target (£1.093m of this has been verified through the transformation/finance challenge, £0.292m is still to be completed which is why it still shows in green within the savings tracker). The directorate also has an internal recovery plan in place with a further target of £2.189m, at Quarter 3, they have achieved £1.499m which is 68% of the target.

- DACHS are still working strongly towards those targets and are forecasting a further £0.300m in year from reviews including CHC work, additional staff have been recruited to support this work. If the £0.300m is achieved as planned we would have achieved the full £1.735m savings target, with achievement of 68% of recovery, which is explained in the forecast overspend.

- Public Health grant is forecast to budget.

Economic Growth and Neighbourhood Services - £1.369m adverse variance

4.7 Economic Growth and Neighbourhood Services is forecasting an adverse net variance of £1.369m at Quarter 3 as set out in the following paragraphs. This is a positive movement of £0.020m from Quarter 2.

Transportation – £0.459m adverse variance

4.8 This variance arises mostly from an anticipated income shortfalls still attributable to the aftermath of Covid-19. Based on year-to-date activity levels in parking and traffic enforcement, income levels as at Quarter 3 are above those in the same period last year and the recovery is gaining momentum, particularly for Off-Street Car Parking - the most material Parking income stream by budget. The table below shows the position since 2019/20 the baseline year before the impact of the Covid Pandemic.

Table 3. Off Street Car Parking Income Trend

Financial Year	Budget	Actual/Forecast	Variance
	£m	£m	£m
2019/20	(4.244)	(4.333)	(0.089)
2020/21	(4.734)	(1.183)	3.551
2021/22	(3.668)	(2.933)	0.735
2022/23	(4.126)	(3.540)	0.586
2023/24	(4.776)	[redacted]	

4.9 The adverse variance of £0.586m in Off-Street Car Parking is occurring despite a large increase in income compared to 2021/22. The income budget for this area was increased in 2022/23 towards pre-covid levels and whilst there has been increased income compared to last year, the level of income has not yet returned to the pre-covid levels. Additionally, the ongoing cost of living crisis with high fuel costs has led to less visits to town centre and renting spaces to Royal Berkshire Hospital at Queens Road has not delivered the income anticipated due to the Hospital trialling other arrangements.

4.10 There is a pressure forecast of £0.075m for repairs required on Broad Street Mall Car Park caused by the recent heavy rain.

4.11 Additionally, there are pressures across the service on salary and agency costs of £0.138m.

4.12 These pressures are partially offset by income overachievements including from On-Street Pay & Display Car Parking and Bus Lane enforcement of £0.340m.

Planning and Regulatory Services - £0.326m adverse variance

4.13 There is a forecast income shortfall of £0.594m across the service. These income shortfalls are primarily arising from the ongoing Covid recovery as well as Supporting the Homes for Ukraine scheme. This shortfall consists of;

- The Building Control shortfall of £0.200m directly relates to the lack of staffing and a lack of availability of suitable agency staff to undertake the fee earning work;

- Premises licence fees are forecasting an income shortfall of £0.108m. Within this, the largest element relates to a £0.066m shortfall in respect of Reading Festival which is entirely based on Festival Republic’s need for a licence variation which has not materialised in 2022/23, the need in future years is under discussion;

- Planning applications and planning fees shortfall of £0.075m are market driven so it is difficult to control the level of fees particularly as the level of fee is statutorily set. Following on from the Covid recovery the supply chain issues around costs and availability of construction materials, plus skills shortages in the construction and design industry, is holding up the planning application process. Therefore, the ongoing uncertainty following on from the Covid pandemic and the ongoing Inflation and risk of recession is having a direct impact on fee generation that is likely to be an ongoing issue;

- Houses of Multiple Occupancy is forecasting an income shortfall of £0.211m. There is a requirement to inspect homes under the Homes for Ukraine scheme, so the decision to undertake this work has a direct impact on the ability to generate income in this area. The Council receives income under the Homes for Ukraine scheme, and it is being investigated as to whether this could be applied to cover the staffing costs of inspecting the properties.

4.14 There are also forecast pressures relating to ongoing public enquiries arising within Planning, forecast at £0.175m for 2022/23. There are some residual costs from a previous prosecution with sentencing of the Plaintiff due to be heard in October 2022. One public enquiry has been withdrawn with one further public enquiry to be heard by April 2023 with spend likely to be incurred until Summer 2023.

4.15 These pressures are partially mitigated by a positive variance on staff costs due to vacancies arising within the service and lack of suitable agency staff of £0.279m, miscellaneous Fees & Charges overachievement of £0.071m and a positive variance of £0.093m on other supplies and Services.

Housing and Communities – balanced budget

4.16 An area of ongoing concern is the potential impact of the cost-of-living crisis affecting the Homelessness budgets. Private sector evictions have been steadily rising following on from the Covid restrictions being released, with additional cost of living pressures placed on the sector. High Inflation pressures are being seen in the cost of Bed and Breakfast and short-term accommodation as well as a reduction in available properties to use. As this area is a demand led service, it is under close monitoring as the winter pressures continue and there is concern that the ability to prevent homelessness is further reduced. It is anticipated that emergency accommodation budgets are manageable with existing numbers, which have been stable, however an increase in placements would result in budget pressure.

Culture – £0.304m adverse variance

4.17 Culture is forecasting an overall net pressure of £0.304m at Quarter 3. This is mainly due to a projected under recovery of income in the Hexagon and Concert Hall against pre-covid income targets in a challenging financial climate. There are also pressures relating to contract inflation and income delays in the Play Service.

4.18 The forecast variance is comprised of the following elements:

- £0.124m under recovery of income in Reading arts and venues. Despite strong sales, programming and bar sales, the service is not expected to make pre-covid income targets due to the challenging financial climate. Within this there is a £0.050m under recovery of income in respect of Concert Hall Events for the same reason.

- £0.035m pressures due to higher than anticipated contractual inflation within the GLL Leisure contract as this contract is based on CPI inflation as at March 2022;

- A net £0.195m pressure is being experienced in leisure services. This is comprised of £0.215m loss of income from Play due to the rangers station opening later than planned, adverse weather conditions and staff sickness. There has been additional expenditure of £0.035m for external paddling pool technical support. The pressure has been reduced through increased income from events contributing £0.010m and overall staff vacancies contributing £0.013m as well as other underspends of £0.032m.

- £0.030m of net pressures in Libraries including reduced level of rent from the top floor of the library. The service is reducing levels of any additional spend to attempt to reduce this pressure as much as possible.

- £0.080m positive variance for 2022/2023 on Reading's contribution to the joint arrangement for the Archives service.

Environmental and Commercial Services – £0.040m adverse variance

4.19 Streetscene is forecasting an overall net pressure of £0.050m. A detailed analysis of income shows a shortfall of £0.950m due to staffing shortages in the Arboricultural Team resulting in commercial work not being possible. There are also reductions in income from reduced grounds maintenance/commercial opportunities on industrial sites and New Build Housing developments, as the market continues to recover slowly to post covid levels. Vacancy levels are expected to create a £0.900m positive variance within this area, which will offset most of the shortfall in income.

4.20 Recycling and Waste Collection is presently forecasting an overall pressure of £0.500m. The Staffing Establishment will overspend by £0.400m as the budget is not sufficient to cover the full employee costs of the required service, particularly for covering sickness and annual leave to industry standards. It is also forecast that a £0.100m pressure will arise from the cost of food waste bags and an expected decline in Garden Waste and Trade Waste collections income. These pressures are expected to continue throughout the year and the minimum staffing establishment requirement has been considered within the budget setting process for 2023/24.

4.21 Fuel costs are currently around a third higher than a year ago and this will create a £0.100m adverse variance for Fleet Management. Five electric refuse freighters have recently been introduced to the fleet and these should help to prevent the overspend increasing. The increased cost of fuel has been considered as part of the 2023/24 budget setting process.

4.22 Highways and Drainage is forecasting an overall adverse variance of £0.200m. This primarily relates to inflationary pressures leading to increased costs of direct materials, paying for waste disposal arising from our work programme and paying increased subcontractor rates totalling £0.350m of additional pressures. The service is also forecasting an underachievement of income of £0.100m due to the number of vacancies in the team and also the use of driving staff by the Waste Collection team, both of which have reduced capacity. These pressures are partly offset by a positive variance of £0.250m relating to the aforementioned staffing vacancies within the team.

4.23 Civil Engineering is forecasting a positive variance of £0.050m due to vacancies within the team.

4.24 Network Management is forecasting an adverse variance of £0.040m primarily due to a reduction in the income from the Pan Berkshire Urban Traffic Control joint arrangement which arose due to National Highways having pulled out of the scheme. There is a mitigation plan in place for 2023/24 onwards to offset this loss of income. This will be partly offset by vacancies in the team creating a £0.040m underspend on staffing costs, and also by a £0.070m underspend on contracted services spend.

4.25 Waste Disposal is forecasting £0.800m positive variance. It has arisen from reduced waste disposal costs, as a result of circa 8% less residual waste per household being presented for disposal. In addition, reductions in costs have been negotiated, reduced insurance premiums are being sought and values from the sale of re3 recycling have been higher than predicted. Each of those factors is helping to maintain this level of underspend. The expected cost of new Persistent Organic Pollutants (POPS) legislation, likely from February, will cost £0.050m which is included in the overall £0.800m position. This positive position for Waste disposal has been considered within the 2023/24 budget setting process.

Property & Asset Management – £0.100m adverse variance

4.26 Property & Asset Management is forecasting a pressure of £0.100m at Quarter 3. There has a been a decline in income from the Oracle shopping centre following on from the Covid-19 pandemic affecting footfall, which has had a knock-on effect of reducing the base rent received, which in turn affects the amount passed to the Council, as owners of the land of the site.

Management & Sustainability – £0.140m adverse variance

4.27 The Business Development service is forecasting a pressure of £0.140m on advertising income schemes. There have been delays in the planning agreements for some advertising sites, as well as contractual and developer delays linked to reduced demand for use of advertising screens as an ongoing impact of the Covid-19 pandemic. This pressure is likely to continue and has been considered as part of the 2023/24 budget setting process.

Resources - £0.290m adverse variance

4.28 The Directorate of Resources is forecasting an adverse net variance of £0.290m at Quarter 3 which is an adverse movement of £0.165m since Quarter 2.

Policy, Performance & Customer Services - £0.223m positive variance

4.29 There is an adverse variance within Customer Fulfilment of £0.131m, which relates to £0.207m of unachieved savings, offset of £0.076m of staffing vacancies. There is an additional positive variance of £0.155m within the Policy Team due to staffing vacancies and a forecast overachievement of income in Bereavement Services of £0.199m.

Human Resources & Organisational Development - £0.050m positive variance

4.30 There is a £0.020m pressure relating to Kennet Day Nursery, due to increased catering costs and a shortfall in income. This is more than offset by a positive variance of £0.060m relating to additional recharging of staff costs against eligible grant funding, plus efficiencies in Emergency Planning of £0.010m.

Procurement & Contracts - £0.077m adverse variance

4.31 This forecast relates to £0.100m adverse variance due to unachievable Corporate Procurement savings, and £0.023m positive variance on staffing costs, due to the Assistant Director of Procurement and Corporate Contracts Manager posts being vacant or covered on a short-term basis for reduced hours.

Legal & Democratic Services - £0.486m adverse variance

4.32 Corporate Legal are forecasting an adverse variance of £0.156m, due to £0.056m of non-achievable HRA and Capital income, and £0.100m additional legal fees where the service is experiencing demand for legal expertise outside of their inhouse capability and capacity, particularly in areas of employment, data protection and where they are having to instruct counsel to covering hearings.

4.33 Customer Relations and Information Governance are forecasting an adverse variance of £0.212m due to staffing costs over the budgeted establishment.

4.34 Local Elections are forecasting an adverse variance of £0.140m due to the council holding an “all out” local election resulting in the need for an increased number of count staff. Additional costs also arose following the Local Government Boundary review, where the number of councillors increased from 46 to 48 and the number of polling stations increased from 69 to 75, as well as the Covid health and safety measures that were in place for the 2021/22 elections remaining in place for 2022/23.

4.35 Minor positive variances of £0.022m are reported across the rest of service.

Chief Executive Services – £0.139m adverse variance

4.36 Chief Executive Services is forecasting an adverse net variance of £0.139m at Quarter 3, which is an adverse movement since Quarter 2 of £0.106m.

4.37 £0.107m of the variance relates to expenditure pressures within Corporate Management Team budgets, including job advertising and recruitment costs.

4.38 £0.032m of the variance relates to the underachievement of advertising income within Communications.

Children's Services Delivered by Brighter Futures for Children (BFfC) - £0.871m adverse variance

4.39 BFfC are currently forecasting net budget pressures totalling of £0.871m. This is an adverse movement of £0.141m from Quarter 2.

4.40 There are total pressures of £2.696m consisting of:

- £0.700m pressure on transport related budgets due to rising inflation of £0.275m and increasing demand pressures totalling £0.425m;
- £0.569m due to agency staff within Children's Social Care. This pressure has arisen due to the additional cost of employing agency workers who are all covering vacant posts;
- £1.065m due to demand for Children's Social Care. This budget variance is the result of £0.361m inflation pressures and £0.704m of demand led pressures;
- £0.251m pressure on Children's Home income generation;
- £0.111m of Other Pressures.

4.41 These pressures are mainly offset by £0.663m of demand led budget pressure reductions over the remainder of the financial year. Other offsetting positive variances include additional Unaccompanied Asylum-Seeking Children Grant from Central Government of £0.410m and £0.752m of other savings.

4.42 As at the end of Quarter 3, against a target of £1.175m, BFfC are reporting that £0.997m of savings have been delivered and are on track to deliver a further £0.178m by the end of the financial year.

Corporate Budgets - £7.292m positive variance

4.43 Corporate Budgets are reporting a net positive variance of £7.292m, a positive movement of £2.516m from Quarter 2.

4.44 Capital Financing Costs are forecasting a positive total net variance £2.505m. As a result of the slippage on the Capital Programme reported in the 2021/22 Outturn Report, there is a positive variance of £0.718m relating to the Minimum Revenue Provision (MRP). There is a further positive variance of £1.273m on the interest payable budget which has arisen from a combination of the slippage on the Capital Programme and efficient management of the Council's cashflow negating the need to borrow and a revision to the share of the interest costs between the General Fund and the HRA. Finally, there is a positive variance of £0.514m on the interest receivable budget due to a combination of the rises in interest rates during the year, a higher amount of cash available for investment than originally anticipated and a revision to the share of the interest income between the General Fund and the HRA. This is a movement of £0.597m from Quarter 2, reflecting the updated forecast shares of interest expenditure and income between the General Fund and the HRA.

4.45 The Corporate Contingency budget of £3.627m is currently not forecast to be used and therefore contributes a further positive variance.

4.46 Other Corporate Budgets are forecasting a positive net variance of £1.160m. This is a positive movement of £1.919m from Quarter 2. This variance includes a current forecast pressure of £0.954m relating to the 2022/23 pay award, which is more than offset by positive net variances of £2.114m within Other Corporate Budgets due to the release of all unspent contingencies and the forecast reduction in the bad debt provision.

5 SAVINGS DELIVERY

5.1 Delivery of the Council's budget is predicated on achieving savings and additional income as agreed as part of the budget setting process in February 2022. Detailed monitoring of agreed savings is tracked on a monthly basis.

5.2 The projected financial impact of any non-delivery of savings has been included in the projected outturn position reported above.

5.3 The following table summarises the current forecast savings delivery for 2022/23 (a further detailed breakdown by saving is provided in Appendix 1):

Table 4. General Fund Savings Tracker Summary

Service	Savings At Risk £000	Savings Delayed or at Risk £000	Savings on Track £000	Savings Achieved £000	Directorate Total £000
Adult Care and Health Services	-	292	350	1,093	1,735
Economic Growth and Neighbourhood Services	2,294	220	866	3,199	6,579
Resources	307	-	351	-	658
Corporate	-	77	-	-	77
Children's Services delivered by BFfC	-	-	178	997	1,175
Total	**2,601**	**589**	**1,745**	**5,289**	**10,224**
Increase/(Decrease) from Quarter 2	**517**	**(596)**	**(3,275)**	**3,354**	**0**

5.4 Any savings not delivered in 2022/23 will cause an immediate pressure on 2023/24, unless mitigated with alternative ongoing savings. Delivery of existing savings within the Medium-Term Financial Strategy has been reviewed as part of the 2023/24 Budget setting and 2023/24-2025/26 Medium-Term Financial Strategy processes.

6 DELIVERY FUND

6.1 There is a total £4.065m Delivery Fund available for 2022/23 (inclusive of 2021/22 approved carry forwards). At Quarter 3, £3.248m of this funding has been allocated out to approved schemes, leaving £0.817m available to be allocated. At Quarter 3, the forecast spend is £2.394m, which results in an overall forecast positive variance of £1.671m.

7 SUNDRY DEBT

7.1 Total General Fund sundry debt as at the end of Quarter 3 is £8.576m, compared to £9.009m at the end of Quarter 2. In addition to this, the General Fund also has £4.140m of current debt and £0.935m of deferred debt which is not yet considered overdue. The following table shows the overdue debt as at the end of Quarter 3:

Table 5. Overdue Debt

	Under 1 month £000	1 to 2 months £000	2 to 3 months £000	3 to 6 months £000	6 months to 1 year £000	1 to 2 years £000	Over 2 years £000	Total Overdue Debt £000
Adult Social Care	434	389	127	605	929	868	2,170	5,522
Environment & Neighbourhood Services	462	158	66	202	243	250	672	2,053
Resources	189	2	48	76	43	14	72	444
Chief Executive	-	-	9	-	1	-	-	10
Former Children's Directorate	-	-	-	-	-	61	135	196
Corporate Codes	-	250	-	-	-	-	101	351
Total General Fund	**1,085**	**799**	**250**	**883**	**1,216**	**1,193**	**3,150**	**8,576**
Housing Revenue Account	2	4	1	2	6	7	15	37
Intercompany Debt	7	-	-	-	-	-	1,435	1,442
Total Including HRA and Intercompany	**1,094**	**803**	**251**	**885**	**1,222**	**1,200**	**4,600**	**10,055**

7.2 The Council has several wholly owned active subsidiaries. The outstanding intercompany debt related to these subsidiaries, including loans, is shown in the following table:

Table 6. Outstanding Intercompany Debtors

Debtor	Outstanding Debt £
Reading Transport Ltd	6,907
Homes for Reading Ltd	1,435,264
Total Outstanding Debt from Intercompany Debtors	**1,442,171**

7.3 The outstanding debt relating to Homes for Reading is due to the company's cashflow position during the early years of the company and a working capital loan was required in 2018/19. A repayment profile is now in place to repay this working capital with the first repayment made in 2021/22. The repayment schedule was agreed with the Homes for Reading board in December 2022.

8 DEBT WRITE-OFF

8.1 Having complied with the requirements of the Council's Debt Management Strategy, all recovery activity has been exhausted and the Director of Finance recommends that the total amounts submitted to the Committee for write-off for cases above £20,000 are:

- Non-Domestic Rates - £111,313.32;
- Housing Benefit Overpayments - £57,120.48;
- Sundry Debt - £90,858.25

8.2 The list of specific debts requested to be written-off are set out in Appendix 5. It is considered that information contained within Appendix 3 contains exempt information under the meaning of sections 1, 2 and 3 of Schedule 12A of the Local Government Act 1972, as amended, and therefore cannot be made public.

8.3 The write-offs will be contained within the existing respective bad debt provisions. These bad debt provisions are reviewed annually to take account of the likely levels of bad debt write-offs and the potential for any recovery of debt that has been previously written off.

8.4 The cost of non-domestic rates write-offs is shared between the Council (49%), Royal Berkshire Fire and Rescue Service (1%) and Central Government (50%).

8.5 Statutory Benefit Subsidy Orders specify that Housing Benefit Overpayments, subsequently not recovered, have to be mostly paid for by the Council through loss in Central Government subsidy. Most Housing Benefit paid out under the General Fund is claimed back from the DWP through the annual subsidy claims. The subsidy rules are designed to act as an incentive for authorities to minimise error and overpayments and to maximise recovery of recoverable overpayments. It is therefore financially prudent for Local Authorities both to minimise the incidence of overpayments and to seek to maximise recovery of overpayments.

8.6 The standard rate of reimbursement for Housing Benefit paid is up to 100%, reducing to 40% for identified overpayments caused by claimant error and either 100%, 40% or down to 0% for those caused by Authority error if certain thresholds are exceeded. Overpayments caused by fraud are reimbursed at 40% and given the cause of such overpayments, there is an expectation that the overwhelming majority of cases should be considered recoverable from the persons who have either committed or significantly contributed to the fraud. The Council is entitled to keep 100% of the income collected from overpayments recovery in addition to any subsidy claimed.

9 STAFFING

9.1 The Council currently has 106 agency contracts across the directorates. £0.183m has been spent on overtime during Quarter 3, bringing the total for the year to £0.520m

9.2 There have been nine redundancies to date during 2022/23 at a total cost of £0.113m, there have also been additional severance costs to date of £0.212m. Redundancy expenditure will be funded through the redundancy revenue reserve.

10 COLLECTION FUND

10.1 The following table shows the Council's collection rate to date of the total annual debit raised for Council Tax and Non-Domestic (Business) Rates as at the end of Quarter 3.

10.2 Council Tax collection rates are still behind the collection levels at the same point when compared to pre-Covid-19 pandemic rates (2019/20) but are slightly ahead when compared to 2021/22 and 2020/21. This indicates a partial recovery from the impacts of the Covid-19 pandemic which is possibly being restricted due to the impacts of the cost of living crisis beginning to take hold. The December 2022 data below shows that the collection rate is 0.97% behind compared to 2019/20 which is a significant dip compared to previous months. The January 2023 collection data however shows that this position has recovered to 0.51% behind the January 2020 position which is in line with current expectations.

10.3 The collection rate for Council Tax has been retained at 98.5% for 2023/24 Council Tax Base setting purposes as the 2022/23 collection rate is 0.51% less compared to 2019/20 where the collection rate for Council Tax Base setting was 99.0%.

10.4 Non-Domestic collection rates is now ahead of the collection levels at the same point when compared to pre-Covid-19 pandemic rates (2019/20) as well as when compared to 2021/22 and 2020/21. The improvement compared to the last two financial years is likely due to no periods of national lockdowns as a response to the Covid-19 pandemic having been required in 2022/23. The improvement compared to 2019/20 has only occurred in the December 2022 data. This improvement has reduced slightly in January to 0.83% higher compared to 2019/20.

Table 7. Collection Fund Collection Rates

	2019/20	2020/21	2021/22	2022/23	Comparison to 2021/22	Comparison to 2019/20
	%	%	%	%	%	%
Council Tax	82.84	82.07	82.16	**81.87**	(0.28)	(0.97)
Non-Domestic Rates	78.02	77.89	75.05	**79.60**	4.55	1.57

11 HOUSING REVENUE ACCOUNT (HRA)

11.1 The approved Housing Revenue Account (HRA) budget assumed a drawdown from HRA reserves of £2.154m. At Quarter 3 the forecast revenue outturn position on the HRA is a positive net variance to budget of £2.103m. Therefore, a transfer to the HRA Reserve is forecast of £0.051m rather than the originally budgeted £2.154m drawdown from reserves. The breakdown of the net variance is set out in the following table and explained below.

Table 8. Housing Revenue Account Forecast 2022/23

	Budget £m	Forecast Outturn £m	Variance £m
Management & Supervision	9.759	8.621	(1.138)
Special Services	3.606	3.125	(0.481)
Provision for Bad Debts	0.753	0.753	0.000
Responsive Repairs	3.443	3.443	0.000
Planned Maintenance	2.989	2.905	(0.084)

Major Repairs/Depreciation	11.016	11.016	0.000
Debt Costs	6.741	6.025	(0.716)
PFI Costs	7.197	7.350	0.153
Revenue Contribution to Capital	0.600	0.600	0.000
HRA Income	(43.950)	(43.787)	0.163
Over/(Under) Budget	**2.154**	**0.051**	**(2.103)**
Movement to/(from) HRA Reserve	(2.154)	(0.051)	2.103

11.2 Within Management and Supervision, there are a large number of vacant posts leading to a current projected positive variance on salary budgets of £0.438m. Additionally, the expected charge to the HRA for the central support costs is currently expected to be around £0.932m less than the maximum budget for these charges available within the HRA. A review of the HRA contribution towards General Fund capital schemes will be factored into the updated HRA Business Plan and future year budgets. There is also a net adverse variance of £0.232m, which is primarily due to additional one-off costs incurred for a 15-year development plan for strategic housing from 2025/2026 to 2040.

11.3 Within Special Services, there are also a number of vacant posts leading to a current projected positive variance on salary budgets of £0.152m. Furthermore, there is an additional positive variance of £0.329m in respect of sheltered housing rents and Right-to-buy housing association charges.

11.4 Recruitment attempts to fill the aforementioned vacancies are ongoing with some recent success in some roles following a series of unsuccessful rounds of recruitment.

11.5 Responsive Repairs is currently expected to be a balanced budget

11.6 Planned Maintenance is currently projected to be £0.084m less than budget due to an underspend on electrical checks. This has been caused by vacancies.

11.7 Major Repairs/Depreciation is currently expected to be a balanced budget.

11.8 Debt costs are lower than budgeted by £0.716m due to less borrowing currently being required within the HRA to meet its capital expenditure as planned expenditure has been re-programmed into future years.

11.9 PFI Costs are higher than budgeted by £0.153m due to the monthly affinity payment increasing by £40k on average from 2021/2022.

11.10 HRA Income is forecasting an adverse variance of £0.163m. Dwelling rents and Service Charges are currently projected to be underachieving on the budget by a total of £0.464m (1.2% less than budget). In addition, there is a £0.030m underachievement forecast on Other Income. These are due to a delay in the completion of HRA capital schemes resulting in less housing available to be rented. Interest income is forecast to overachieve by £0.331m as the HRA has a higher level of reserve balances than anticipated so it takes a higher share of the interest income on those balances. The recent increases in the Bank of England interest rate have helped push the income up slightly too, and in the future partially offset increases in debt costs.

11.11 The collection rate of income within the HRA of income actually collected versus expected income is 99.5%, when incorporating collection of debt in arrears from current and former tenants this figure becomes 96.0%. One item of concern under review is voids turnarounds, due to factors including staffing, the availability of contractors and pressures on materials the time taken to return void properties into circulation is growing, this has an indirect impact on the income collected and the collection rates.

12 CAPITAL PROGRAMME

General Fund

12.1 The General Fund Capital Programme for 2022/23 has an approved budget of £80.027m. The following amendments to the Capital Programme will be requested to be formally approved as part of the next quarterly report to Policy Committee, which would result in a revised Capital Programme budget of £74.517m. These amendments are set out on an individual scheme basis in Appendix 2.

12.2 Against the proposed revised budget of £74.517m there is a forecast positive net variance of £1.671m. This variance relates entirely to the Delivery Fund.

Table 9. General Fund Capital Programme Amendments

General Fund Capital Programme	**£m**
Revised Budget Quarter 2 2022/23	**80.027**
Budget Movements Between Schemes	0.000
Additional Budgets added to the Programme - Funded by Grants & Contributions	1.934
Additional Budgets requested to be added to the Programme - Funded by Capital Receipts & Borrowing	0.000
Reduced Budgets - Completed Schemes & Other carry forward budget adjustments	4.659
Budgets reprogrammed (to)/from Future Years	(12.103)
Proposed Revised Budget Quarter 3 2022/23	**74.517**

12.3 A total of £1.934m of additional budgets that are fully funded by grants and contributions are requested to be formally added into the Capital Programme. These additions include:

- £1.623m of Community Infrastructure Funding (CIL) allocated by committee to CIL Local schemes in March 2022 but not previously included in the capital programme;

- £0.311m of additional grant funding across three schemes.

12.4 A total of £0.250m of budget reductions are requested to be formally approved as set out in Appendix 2 where it has been identified that spend will not go ahead as originally planned. This relates entirely to the Loan to Reading Transport (RTL) Ltd scheme. RTL have advised that they have placed orders for new buses totalling £2.250m in 2022/23, that they will be requesting additional loans from the Council to Finance, therefore the remaining budget of £0.250m will not be required.

12.5 A total of £4.909m of budget increases, of which £4.769m is funded from one-off revenue resources, is requested to be formally approved over eight schemes to correct the 2021/22 budget carry forward figure and the reversal of a budget reduction approved in a prior period.

12.6 A total of £12.103m of budgets are requested to be reprogrammed from 2022/23 into future years of the Capital Programme in line with the latest delivery forecasts. This includes:

- £2.747m for the Leisure Centre Procurement due to the impact of the delay in the granting of a water extraction licence;
- £1.939m for Universal Digital Systems to reflect the revised expenditure projections for the current year;

- £1.627m for Customer Digital Experience to reflect the revised expenditure projections for the current year;
- £1.203m for IT Future Operating Model to reflect the revised expenditure projections for the current year;
- £1.100m for Highways Structures to reflect the revised expenditure projections for the current year;
- £3.487m across other schemes.

12.7 There is a total £4.065m Delivery Fund available for 2022/23 (inclusive of 2021/22 approved carry forwards). At Quarter 3, £3.248m of this funding has been allocated out to approved schemes, leaving £0.817m available to be allocated. At Quarter 3, the forecast spend is £2.394m, which results in an overall forecast variance of £1.671m.

12.8 All other General Fund schemes are forecasting to spend to the proposed revised budgets.

12.9 The Quarter 2 Performance & Monitoring Report, presented to Policy Committee in December 2022, approved the addition of a total of £15.939m for the Bus Service Improvement Plan into the capital programme. The scheme is fully grant funded and the majority of the expenditure is expected to be incurred through 2023/24 and 2024/25. At that stage formal confirmation of the grant funding had not been received and so spend approval had not been sought. Spend approval can only be delegated to officers where the scheme is less than £2.5m or is part of a rolling programme. It is therefore requested that spend approval for the total amount of £15.939m across three financial years is now granted. The total is broken down by year as £0.500m in 2022/23, £8.326m in 2023/24 and £7.113m in 2024/25.

Housing Revenue Account (HRA)

12.10 The HRA Capital Programme for 2022/23 has an approved budget of £27.828m. The following amendments to the Capital Programme are requested to be formally approved which would result in a revised Capital Programme budget of £29.987m. These amendments are set on an individual basis in Appendix 2.

12.11 A total of £2.546m of budgets are requested to be re-profiled from 2023/24 as set out in Appendix 2 to reflect the revised expenditure projections for the current year. This includes:

- £0.586m to be re-profiled into 2023/24 for the Local authority new build programme for Older People and Vulnerable Adults scheme;

- £3.132m of budget to be brought forward into the current year from 2023/24 for the Local Authority New Build and Acquisitions schemes.

12.12 A total of £0.387m of budget reductions are requested to be formally approved as set out in Appendix 2 where it has been identified that spend will not go ahead as originally planned. This relates entirely to the Major Repairs – Zero Carbon Retrofit works scheme.

12.13 The Housing Management System scheme is forecasting an adverse variance of £0.098m. A business case for additional funding in 2023/2024 to cover Phase 2 of the project next year also covers the small adverse variance this year.

12.14 All other HRA schemes are forecasting to spend to the proposed revised budgets.

13 CORPORATE PLAN PERFORMANCE

13.1 A new three-year Corporate Plan for 2022/23-2024/25 was published in March 2022, and a revised set of 58 performance measures were developed for monitoring from April 2022, along with a set of 52 key projects and initiatives which are helping to deliver the Council's mission and priorities. 31 of the performance measures are annual measures that will not be reported on until after March 2023.

13.2 These measures and projects were identified by directorates as those that best demonstrate progress in achieving key outcomes. This report is therefore intended to provide an overview of the contribution that the Council makes across all its activities to improving Reading as a place to live, work and visit.

13.3 The performance measures and projects are set against each of themes of the Corporate Plan for 2022/23-2024/25:

- Healthy environment
- Thriving communities
- Inclusive economy

13.4 The tables below present a summary of performance for Quarter 3 against the target for each of the measures. Direction of travel will be reported next quarter.

13.5 The set of monthly/quarterly measures is attached at Appendix 4. For the Corporate Plan projects, a summary of the RAG status is provided below. The full list of projects is provided at Appendix 5.

Corporate Plan Measures

13.6 The tables and charts below display an overview of the shifts in performance for the Corporate Plan measures between Q2 and Q3, as well as performance against the target (red/amber/green).

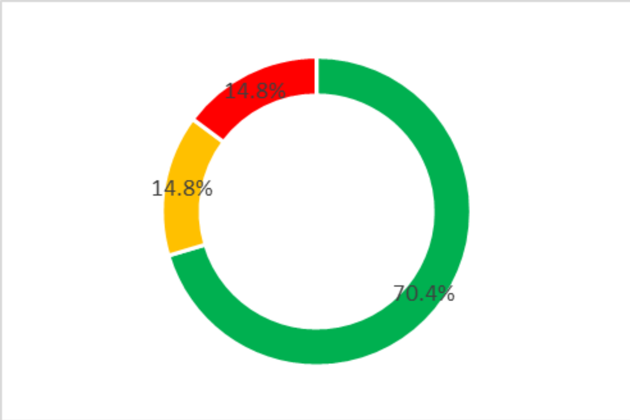
Table 10. Summary of direction of travel

	Number of Measures	Q2 %	Q3 %
Getting better	15	50	55
Getting worse	8	46	30
Unchanged	3	4	11
N/A – No Target/Comparison [1]	1	0	4
Total	**27**	**100**	**100**

Table 11. Summary of performance against target[2]

	Number of measures	Q2 %	Q3 %
Green	19	54	70
Amber	4	29	15
Red	4	14	15
N/A – No Target/Comparison	0	3	0
Total	**27**	**100**	**100**

[1] *Q2 data not available for comparison purposes*
[2] *Green = target achieved; Amber = up to 10% below target; Red = more than 10% below target*



13.7 The four Corporate Plan measures recorded with a 'red' status against 2022/23 targets are listed below. Explanatory commentary is included where appropriate in Appendix 4.

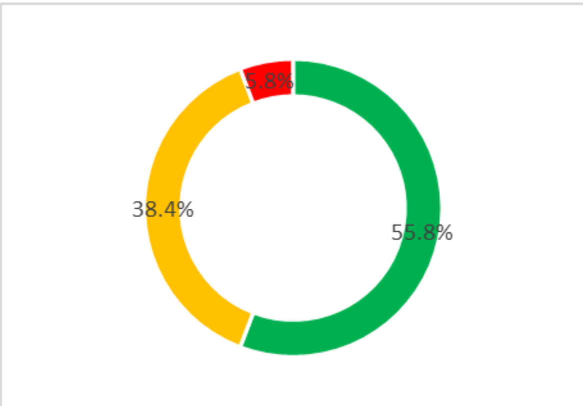
- Customer satisfaction in the Customer Fulfilment Centre
- Number of self- service transactions via My Account self- service
- Percentage of responses to the public on Freedom of Information Act requests made within 20 days
- Percentage of service users in receipt of Adult Social Care Direct Payments

Corporate Plan Projects

13.8 The RAG status for the Corporate Plan projects is shown below.

Table 12. Summary of RAG status

	Number of projects	Q2 %	Q3 %
Green	29	58	56
Amber	20	40	38
Red	3	2	6
Total	**52**	**100**	**100**



13.9 The three Corporate Plan projects recorded with a 'red' status this quarter are as follows. Explanatory commentary is included in Appendix 5:

- Implementation of the Customer Experience Programme
- Create a workforce that is fully representative of the population we serve
- Review and expansion of the Community Reablement Team to maximise people's independence

13.10 Appendix 5 sets out the Q3 performance for the full list of measures and projects.

13.11 Appendix 6 sets out those measures where there has been a significant change in performance from the previous period.

14 CONTRIBUTION TO STRATEGIC AIMS

14.1 The Council's vision is to ensure that Reading realises its potential – and to ensure that everyone who lives and works in Reading can share the benefits of its success. The Council has three inter-connected themes which contribute to delivering this vision. The themes are:

- Healthy environment;
- Thriving communities;
- Inclusive economy.

14.2 Delivery of the Council's budget is essential to ensuring the Council meets its strategic aims and remains financially sustainable going forward.

14.3 Full details of the Council's Corporate Plan are available on the Council's website.

15 ENVIRONMENTAL AND CLIMATE IMPLICATIONS

15.1 The Council declared a Climate Emergency at its meeting on 26th February 2019. The Corporate Plan monitors our progress in reducing our carbon footprint.

15.2 There are no specific environmental and climate implications to report in relation to the recommendations set out in this report.

16 COMMUNITY ENGAGEMENT AND INFORMATION

16.1 Budget-related communications and consultations will continue to be a priority over the next three years as we work to identify savings.

17 EQUALITY IMPACT ASSESSMENT

17.1 The equality duty is relevant to the development of the Budget and Corporate Plan. The specific savings and income proposals included in the budget are subject to consultation and equality impact assessments where required and these are being progressed as appropriate.

18 LEGAL IMPLICATIONS

18.1 The Local Government Act 2003 requires that the Authority reviews its Budget throughout the year and takes any action it deems necessary to deal with the situation arising from monitoring. Currently monitoring reports are submitted to Policy Committee quarterly throughout the year.

18.2 the size and complexity of the services we provide and have responsibility for, it is sensible to have a strategic document for the organisation which sets out key priorities and activities against a robust and sustainable financial strategy.

19 FINANCIAL IMPLICATIONS

19.1 The financial implications are set out in the body of this report.

20 BACKGROUND PAPERS

20.1 None.