

# Title of report: Financial Monitoring

**Meeting: Scrutiny Management Board**

**Meeting date: Tuesday 16 December 2024**

**Report by: Statutory Scrutiny Officer**

## **Classification**

Open

## **Decision type**

This is not an executive decision

## **Wards affected**

All Wards

## **Purpose**

To consider the forecast position for 2024/25 at quarter 2 (September 2024).

## **Recommendation(s)**

**That:**

- a) **The committee notes this report.**
- b) **The committee makes any recommendations in relation the report.**

## **Alternative options**

1. There are no alternative options. It is within the remit of the Scrutiny Management Board to undertake a scrutiny role in relation to areas which are cross cutting in nature. The forecast position for 2024/25 at quarter 2 is likely, in the near future, to have a material impact on council policy and strategies.

## **Key considerations**

2. The report attached as Appendix A presents the forecast position for 2024/25 at quarter 2 (September 2024), including explanation and analysis of the drivers for the material budget variances. It also outlines ongoing and planned recovery activity to reduce the forecast overspend. To provide assurance that progress has been made towards delivery of the agreed revenue budget and service delivery targets, and that the reasons for major variances are understood and are being addressed to the cabinet's satisfaction.
3. The forecast 2024/25 outturn shows a net overspend of £10.2 million at quarter 2, before management action estimated at £8.2 million to reduce the forecast overspend to £2.0 million.

4. This report was presented at the Cabinet meeting on 28 November 2024.

### **Community impact**

5. In accordance with the accepted code of corporate governance, the council must ensure that it has an effective financial control framework to support delivery of services within the agreed budget. The council is accountable for how it uses the resources under its stewardship, including accountability for outputs and outcomes achieved. In addition the council has an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies.

### **Environmental impact**

6. The council provides and purchases a wide range of services for the people of Herefordshire. Together with partner organisations in the private, public and voluntary sectors we share a strong commitment to improving our environmental sustainability, achieving carbon neutrality and to protect and enhance Herefordshire's outstanding natural environment.
7. This report provides information to allow scrutiny of the forecast position for 2024/25 at Quarter 2 (September 2024) so will have minimal environmental impacts, however consideration has been made to minimise waste and resource use in line with the council's Environmental Policy.

### **Equality duty**

8. The Public Sector Equality Duty requires the Council to consider how it can positively contribute to the advancement of equality and good relations and demonstrate that it is paying 'due regard' in our decision making in the design of policies and in the delivery of services.
9. The mandatory equality impact screening checklist has been completed for this activity and it has been found to have low impact for equality
10. Due to the potential impact of this decision being low, a full Equality Impact Assessment is not required.

### **Resource implications**

11. This report has no direct financial implications, however the Board may wish to consider how money is utilised in order to meet the council's objectives.

### **Legal implications**

12. The remit of the scrutiny committee is set out in part 3 section 4 of the constitution and the role of the scrutiny committee is set out in part 2 article 6 of the constitution.
13. The Local Government Act 2000 requires the council to deliver the scrutiny function.

### **Risk management**

14. The risks associated with the council's business are recorded on the relevant service risk register and escalated in accordance with the council's Performance Management Framework and Risk Management Plan. The highest risks, i.e. those scoring greater than 16 after controls, are escalated to the council's Corporate Risk Register.

### **Consultees**

15. None in relation to this report.

## Appendices

Appendix A - Q2 202425 Budget Report  
Appendix B Capital Forecast Q2 2024-25  
Appendix C Revenue Outturn Q2 2024-25  
Appendix D Savings Delivery Q2 2024-25  
Appendix E Earmarked Reserves 01 April 2024  
Appendix F Treasury Management Forecast Q2 2024-25

## Background papers

None

## Report Reviewers Used for appraising this report:

**Please note this section must be completed before the report can be published**

|                |                                  |                                    |
|----------------|----------------------------------|------------------------------------|
| Governance     | Danial Webb                      | Date 06/12/2024                    |
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