Bath & North East Somerset Council

MEETING:	**Cabinet**	
MEETING DATE:	**10th February 2022**	EXECUTIVE FORWARD PLAN REFERENCE: E 3319
TITLE:	**Revenue and Capital Budget Monitoring, Cash Limits and Virements – April 2021 to December 2021**	
WARD:	**All**	

AN OPEN PUBLIC ITEM

List of attachments to this report:

Appendix 1 – Revenue Monitoring Commentary

Appendix 2 – Key Scheme Capital Monitoring Commentary

Appendix 3 (i) & 3 (ii) – Proposed Revenue Virements & Revised Revenue Cash Limits 2021/22

Appendix 4 (i) & 4 (ii) – Capital Virements & Capital Programme by Portfolio 2021/22

EXECUTIVE SUMMARY

a) Revenue budget

The Revenue budget outturn is currently forecast to be under budget by £0.06m.

Significant projected income losses in Heritage Services and demand pressures in Children's Services are offset by underspends in Adults Services and quicker than expected recovery in Parking income. Many services across the Council are also suffering continued income losses, although the government's sales, fees and charges compensation scheme, which covers the first three months of the year, is helping mitigate some of the impact to the bottom line.

The Dedicated Schools Grant (DSG) continues to forecast an in-year SEND placement pressure of £7.2m. This currently does not affect the Council's revenue position. Mitigation plans are being worked up to reduce the ongoing deficit over a number of years going forward.

Savings of £8.5m were included in the 2021/22 budget. At present the majority of savings are expected to be delivered. Management action plans to mitigate will be identified should delivery of any become at risk. Any savings already identified as unachievable have been put forward for rebasing in the 2022/23 Budget proposals.

b) Capital budget

The current position of the 2021/22 Capital Programme is a forecast of £91.5m against a budget of £137.5m. The variance of £46m reflects rephasing requests into future years with a small underspend of 51k being declared for the now completed Norton Radstock Regeneration Infrastructure scheme.

c) Council Tax and Business Rates

Taking the impact of the reduction in LCTSS claimant numbers and the increase in chargeable dwellings into account, the current forecast is for an in year surplus of £1.3m on the Collection Fund in respect of Council Tax, of which the Council's share is £1.09m.

The current in year forecast for the Business Rate element of the collection fund is for a deficit of £0.13m, after allowing for additional s31 grant funding of £19.7m in respect of the retail reliefs and £4.3m in respect of Covid Additional Relief Fund. The deficit is mainly the result of a reduction in rates payable, partly offset by a favourable position on the appeals provision, following the withdrawal of a number of appeals made against the 2010 rating list.

d) Council Reserves

The Council is holding a £5.6m Covid contingency reserve for operational pressures relating to the pandemic, projected use is £1.64m.

1 THE ISSUE

1.1 This report presents the financial monitoring information for the Authority as a whole for the financial year 2021/22, using information available as at the end of December 2021.

2 RECOMMENDATION

The Cabinet is asked:

2.1 To note the 2021/22 revenue budget position (as at the end of December 2021).

2.2 To note the revenue virements listed for information only in Appendix 3(i).

2.3 To note the capital year-end forecast detailed in paragraph 3.25 of this report;

2.4 To note the changes in the capital programme including capital schemes that have been agreed for full approval under delegation listed in Appendix 4(i).

3 THE REPORT

3.1 The Budget Management Scheme requires that the Cabinet consider the revenue and capital monitoring position four times per year.

REVENUE BUDGET

3.2 Service Directors have been asked to outline the actual expected outturn for the year and the reasons to date for over / under budget forecasts. For revenue budgets which are forecast to be over budget, the Directors are expected to seek compensating savings to try and bring budgets back to balance.

3.3 A summary by Portfolio of the revenue position as at the end of the third quarter is shown in the table below:

Portfolio	**Revised Budget £'m**	**Year End Forecast £'m**	**Variance Over / (Under) £'m**
Economic Development and Resources	11.19	13.52	2.33
Climate and Sustainable Travel	1.10	0.90	(0.20)
Adults and Council House Building	63.60	60.86	(2.75)
Children & Young People, Communities & Culture	31.33	34.27	2.94
Neighbourhood Services	24.16	24.78	0.62
Transport Services	(3.03)	(6.59)	(3.56)
Planning	2.03	2.60	0.57
Quarter 3 Forecast Outturn Position	**130.39**	**130.33**	**(0.06)**

Note: Some of the figures in this table are affected by rounding.

3.4 The current **year-end** forecast is under budget by £0.06m.

Portfolio Commentary

3.5 Key variances and associated actions by Portfolio are as follows, a more detailed breakdown can be found in Appendix 1:

Economic Development and Resources ***(£2.33m over budget, £0.19m favourable movement)***

The impact of the Omicron Covid variant on visitor numbers over the winter period and projections for the fourth quarter continues to limit revenue generation in Heritage Services. The service is now forecasting an unfavourable outturn position of £1.80m, a further reduction of £0.24m on the Quarter 3 forecast. Income from the Thermae Bath profit share is also forecast to be impacted by £0.25m after allowing for sales, fees and charges compensation grant, while income from the Commercial Estate is forecast to be on budget. The Preparing for the Future programme continues to develop new approaches to ways of working and how we use our Corporate Estate, but currently there is a £1.12m pressure from unachieved income targets, staffing pressures and unbudgeted costs associated with the Bath Community Academy site at Culverhay. The increased use of bed and breakfasts for temporary accommodation means we cannot reclaim subsidy, which is contributing to a £0.50m pressure on the Housing/Council Tax Benefits Subsidy budget. These pressures are partially offset by recovery of pension deficit costs and temporary high levels of cash balances, which are delaying the need to borrow and result in a favourable £0.90m capital financing and corporate finance underspend.

Climate and Sustainable Travel ***(£0.20m under budget, £0.11m favourable movement)***

A £0.07m staffing pressure in the Transport Planning, Policy and Sustainable Transport service relating to the increased volumes of work relating to the Joint Local Transport Plan is offset by delays to recruitment in the Sustainability team (£0.27m).

Adults and Council House Building ***(£2.75m under budget, £1.35m favourable movement)***

The current forecast position for Adult Social Care is an underspend variance of £2.65m. This reflects the reduced number of package placements seen during 2020/21 which has continued into 2021/22. Current health funding arrangements have been extended to cover the second half of the year therefore, the impact of the expected demand from the ending of these arrangements is now reduced. These arrangements are now expected to end at the end of this financial year and discussions have commenced regarding ongoing requirements in 2022-23. The long-reaching impact of the ongoing pandemic is still being felt and future demand on Adult Social Care is expected to return to previously seen levels once we are through this pandemic period. This expectation also carries a risk of additional demand being seen when these levels return, in both package numbers and complexity of social care cases.

The level of future demand is still undetermined but is expected to cause pressure on budgets. To balance this, work continues on the delivery of the service transformation plans to ensure services can be provided to meet and sustain this demand.

Housing are forecasting a £0.10m favourable budget position which is a result of unbudgeted Domestic Abuse grant income and an underspend on supported lodgings.

Children and Young People, Communities and Culture *(£2.94m over budget, £0.50m adverse movement)*

The Children and Young People segment of this Portfolio is over budget by £2.84m, this includes £0.80m of Covid related expenditure.

The main element of this over budget position is due to increased costs in the demand-led budgets. In total this area is £1.56m over budget including £0.80m of Covid costs. Placement numbers have risen in Joint Agency Panel placements, whereas Residential placements numbers remain stable. Increased costs of existing packages are the other main cost driver in this area and these have risen due to the increased need our Children and Young People are presenting with, many as a consequence of Covid.

Costs to support children in care are included in this forecast at a pressure of £0.38m, again this is a direct result of the increasing needs that our Children and Young People have presented with during this pandemic.

Staffing pressures across the frontline areas of Children's Social Care total £0.41m. This is the result of covering absences within teams, whilst also responding to increasing demand levels and complexity of need. There is also a £0.20m one-off pressure this year from the Year One costs of delivering the transformation projects, this will enable future savings in 22/23 and beyond of circa £1m per year.

The Education Psychology Service has a £0.20m over budget position. This is due to increased staffing costs needed to provide the Local Authorities statutory duties in this area, caused by significantly increased requests for assessment, a national shortage of qualified EP's and use of agency staff and un-budgeted maternity cover. This pressure is proposed to be addressed in the budget for 22/23.

A £0.70m forecast pressure has been included for the Home to School Transport (HTST) service in this forecast that was not present in the April to September forecast. This significant pressure has been experienced since the start of the 2021-22 academic year. Service pressures including reduced availability of drivers, increased fuel costs and reduced tendering activity for many routes. In addition, the Council has had to absorb increased statutory duty in transporting pupils.

Partially mitigating these pressures as a one-off for this year, is the release of £0.56m provision for Troubled Families because the Government has now confirmed continued funding for this area for the next three years.

Reduced income for Events due to social restrictions add a further £0.03m pressure to the portfolio, while savings in Customer Services are currently forecast at risk, adding a further pressure of £0.07m, but plans to mitigate are built into the 22/23 Budget proposals.

Schools DSG ***(£7.2m over budget, plus an overspend of £5.42m carried forward from 2020-21)***

The DSG has a forecast overspend of £7.2m in 21/22 made up of significant pressures on SEND. The SEND pressures are estimated based on current pupils identified with Education, Health and Care (EHC) Plans of £7.7m however mitigating actions have identified £0.5m of savings.

Further work on opening the provision of local SEND places at schools in the area will help reduce the pressure and extensive analysis of the specific cost pressures is being conducted to look to reduce the overspend.

Any overspend on the DSG is currently ringfenced to the grant allocation and the Department for Education (DFE) have issued guidance to restrict the supporting of the pressures from council revenue funding. Further guidance is expected to be released regarding this by the DFE and DCLG early this year.

A recovery plan continues to be developed to be shared with the DFE and the Schools Forum, so that the overspend can be recovered over an extended period of several years.

Neighbourhood Services ***(£0.62m over budget, £0.14m adverse movement)***

Financial support to our leisure operator is causing a £0.19m pressure in the Leisure service, whilst significant increases in energy prices impacting the street lighting contract has generated a net £0.17m pressure in Highway Maintenance. The Waste Service continues to experience increased staffing, vehicle and electricity costs associated with increased waste tonnages, which is in part mitigated by £0.52m of increased income from the sale of recyclates, resulting in a net unfavourable forecast of £0.28m.

Transport Services ***(£3.56m under budget, £0.46m favourable movement)***

Parking budgets were rebased by £3.5m reducing the income target in 2021/22 to mitigate the continued expected income losses resulting from the on-going pandemic. Contrary to expectations earlier in the year, parking income has recovered much quicker than anticipated with the impact of the pandemic increasing preference for personal car use over public transport, resulting in a favourable forecast outturn variance of £3.16m. Street Works income has also exceeded budget, resulting in a £0.39m favourable variance in Network and Traffic Management. There is a significant financial risk around energy contracts caused by the volatile energy market. The in-year impacts on street lighting have been addressed in the Neighbourhood Services narrative, whilst contingency has been built into the 2022/23 Budget proposals to address the risk that our main gas and electricity contracts are up for renewal at the end of the financial year.

Planning ***(£0.57m over budget, £0.10m favourable movement)***

Planning income continues to be significantly impacted by the pandemic, with larger income generating applications remaining low compared to 2019/20 levels. After sales, fees and charges compensation grant and salaries underspends the service is forecasting a £0.34m pressure. Net licensing income is also £0.22m down against budget, which includes the continued absence of a casino operator, something that has been addressed in the 2022/23 Budget proposals.

Savings Performance

3.6 The 2021/22 revenue budget approved savings of £8.5m. 93% (£7.9m) of savings have been delivered in full, 5% (£0.4m) have been mitigated by one-off underspends in year, and 2% (£0.2m) are delayed or will not be achieved and are being addressed through the 2022/23 Budget proposals.

3.7 The Council's financial position, along with its financial management arrangements and controls, are fundamental in continuing to plan and provide services in a managed way, particularly in light of the medium-term financial challenge. Close monitoring of the financial situation provides information on new risks and pressures in service areas, and appropriate management actions are then identified and agreed to manage and mitigate those risks.

REVENUE BALANCES, CONTINGENCY AND RESERVES

3.8 The current forecast revenue position includes planned and approved use of earmarked reserves as set out in the table below.

Key Reserves

3.9 The following table shows the balances of key reserves at the beginning of the year, planned use, and expected balance at the year-end based on current forecast:

	Balance as at 01/04/2021 £'m	2020/21 O/T Report Approved Transfers £'m	Projected Use / Commitments £'m	Estimated Balance 31/03/2022 £'m
Revenue Budget Contingency	2.94	0.10	(0.54)	2.50
Financial Planning and Smoothing Reserve	3.06	4.61	(0.73)	6.94
Transformation Investment Reserve	1.93	0.70	(0.63)	2.00
Covid Contingency Reserve (Govt grant)	5.62	0.00	1.64	3.98
Restructuring & Severance Reserve	2.18	0.00	0.28	1.90

Reserves and Flexible Capital Receipts

3.10 Flexible Capital Receipts are being utilised for revenue spend that results in ongoing revenue savings. An estimated use of £11.5m was agreed as part of budget setting in February 2021, this has now been updated to reflect the re-profiled requirement and re-phasing into 2022/23 as follows:

	Actual Usage 2017/18 – 2020/21 £'m	Estimated Usage 2021/22 £'m	Available Balance 2022/23 £'m	Est Total Usage £'m
Flexible Capital Receipts	7.93	0.50	3.07	11.50

3.11 Unapplied capital receipts of £2.776m were carried forward from 2020/21 and £1.107m has been received in 2021/22. No further receipts are expected in the remainder of the year.

General Fund Un-Earmarked Reserve

3.12 The General Fund Un-Earmarked Reserve is retained to meet the Council's key financial risks. The risk assessment has set a range of between £11.6m and £12.8m to meet those risks in the 2021/22 financial year. The reserve has a current uncommitted balance of £12.6m in line with the level reported in the 2021/22 Budget Report.

Revenue Budget Virements

3.13 Any revenue budget virements which require Cabinet approval are listed in Appendix 3(i). Technical budget adjustments are also shown in Appendix 3(i) for information purposes, as required by the Budget Management Scheme.

COUNCIL TAX, COUNCIL TAX SUPPORT AND BUSINESS RATES

3.14 The Council saw a large increase in the number of people claiming Local Council Tax Support (LCTS) as result of the economic impact of the pandemic during 2020/21. The 2021/22 tax base allowed for an increase of 5% on the number of working age recipients as at the end of November 2020 with budgeted costs of LCTS set at £10.97m. The cost at the beginning of April was £10.69m and there has been a gradual reduction over the first six months of the financial year, in line with a fall in working age claimants, and the cost at the end of December of £10.19m is in line with costs reported at Quarter 2. This is currently £0.78m below the budget estimate which will contribute to a Council Tax Collection Fund surplus if the position remains at this level at year end. The number of working age claimants at the end of September was 6,283 compared to the budget assumption of 6,915. The reduction is due to claimants ceasing to be entitled to LCTS, for example where they have returned to employment.

3.15 The actual outturn position on LCTS and the impact on the Council Tax collection fund will depend on a number of variables, including the change in number of claimants and the period claimants remain eligible for support whilst seeking employment and this will continue to be monitored closely during the remainder of the year.

3.16 The Collection Fund is also benefitting from an increase in the number of chargeable dwellings which is above the level forecast when setting the taxbase for 2021/22. Taking both the reduction in LCTSS claimants and the increase in chargeable dwellings into account, the current forecast is for an in year £1.3m surplus on the Collection Fund in respect of Council Tax, of which the Council's share is £1.09m. This represents a positive variance of 1% against the 2021/22 forecast income.

3.17 The Council's share of the improved 2020/21 Council Tax Collection Fund final outturn position of £1.3m, as reported to Cabinet in July, the adjustment for 3 year spreading and the in-year projected surplus and have been reflected in the 2022/23 Budget report in line with the required Collection Fund accounting arrangements.

Business Rates

3.18 The government announced, as part of the Chancellor's Budget Statement in early March 2021, that it will continue to provide eligible retail, hospitality and leisure properties in England with 100% business rates relief from 1 April 2021 to 30 June 2021. This will be followed by 66% business rates relief for the period from 1 July 2021 to 31 March 2022, capped at £2 million per business for properties that were required to be closed on 5 January 2021, or £105,000 per business for other eligible properties.

3.19 The Council will be recompensed for the reduction in business rate income arising from this relief via a s31 compensation grant. The announcement was made after the 2021/22 budget for business rate income was set, so the award of the relief will create a collection fund deficit which will be offset by the s31 compensation grant income received into the Council's revenue account. As at the end of September retail relief of £19.7m had been granted.

3.20 On 25 March 2021 the government announced a new COVID-19 Additional Relief Fund (CARF) of £1.5 billion. The fund will be available to support those businesses affected by the pandemic but that are ineligible for existing support linked to business rates. The accompanying bill received royal ascent during December and guidance and specific allocations have recently been published. The Council will receive £4.29m in s31 grant funding to provide business rate relief under the scheme. Similarly to the retail relief mentioned above, these reliefs will create a deficit in the collection fund offset by the s31 grant income received into the revenue account.

3.21 The current in year forecast for the Business Rate element of the collection fund is for a deficit of £0.13m, after allowing for additional s31 grant funding in respect of the retail reliefs and future CARF reliefs. The deficit is mainly the result of a reduction in rates payable partly offset by a favourable position on the appeals provision, following the withdrawal of a number of appeals made against the 2010 rating list.

3.22 Empty property relief following business closures has increased from £4.2m to £5.1m in the first nine months of the year, but currently remains below the £5.3m allowance included when setting the business rate income forecast for 2021/22.

3.23 The table below shows the overall forecast position on the Collection Fund for Business Rates. Including the surplus carried forward from the 2020/21 outturn position with the adjustment for 3 year spreading to the current in year deficit it shows an overall projected surplus of £1.79m of which the Council's share is £1.68m.

Business Rates Collection Fund	Total (£m)	B&NES Share (94%) (£m)
Collection Fund - Projected 2021/22 In Year Deficit	24.11	22.66
Less impacts of reliefs funded through s31 grant:		
Additional Extended Retail Relief	-19.69	-18.51
Covid Additional Relief Fund	-4.29	-4.04
In Year Deficit after Retail Relief & CARF s31 grant funding	**0.13**	**0.12**
2020/21 Surplus Carried Forward	-2.90	-2.73
3 Year Deficit Spreading Adjustment	0.99	0.93
Total Projected Surplus	**-1.79**	**-1.68**

3.24 As set out in the Budget Report, any surplus or deficit on the Business Rate Collection Fund and associated income will be transferred to or from the Business Rates Reserve for consideration as part of the Business Rates calculations for future years and this position will be reflected in the 2022/23 budget. The balance on the Business Rate Reserve as at 1st April 2021 was £3.684m, this includes the £2.8m transfer from the reserve approved in the 2021/22 budget report.

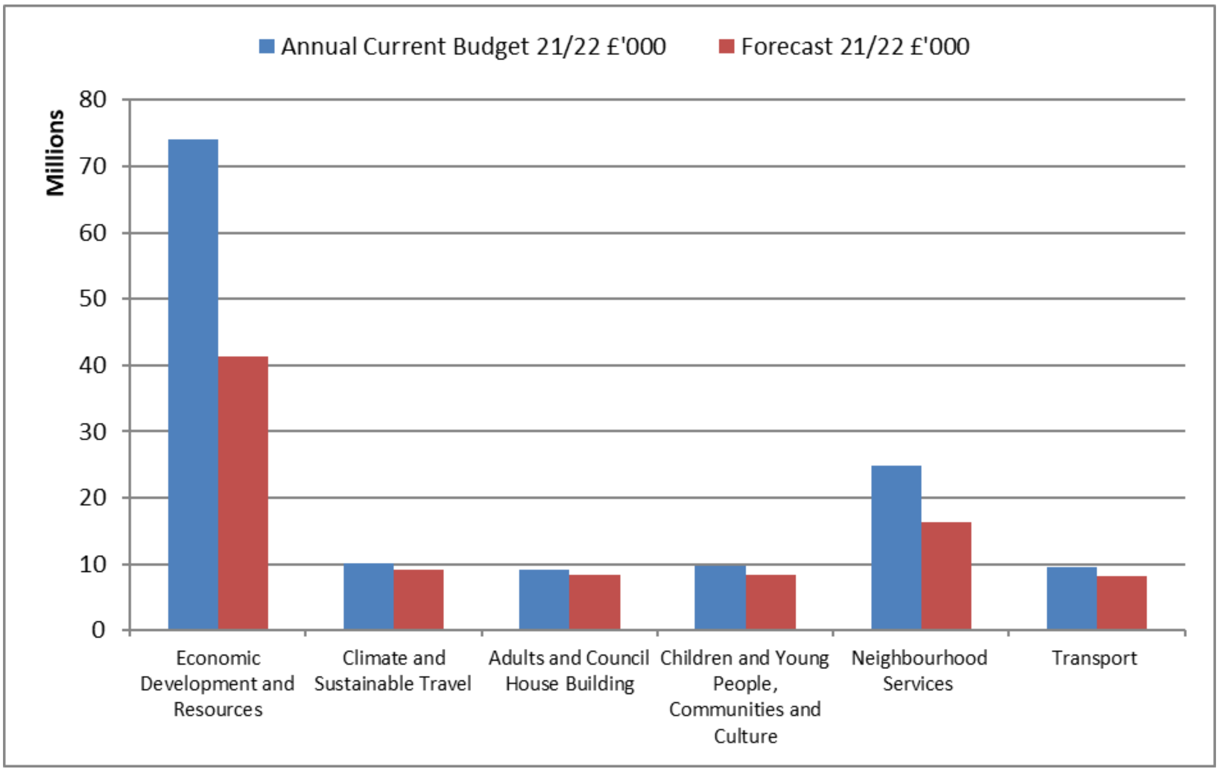
CAPITAL BUDGET

3.25 The current position of the 2021/22 Capital Programme is a forecast of £91.5m against a budget of £137.5m. The variance of £46m mainly reflects rephasing requests with a small underspend of £51k being declared for the now completed Norton Radstock Regeneration Infrastructure project. The following table shows a summary of the current position by Cabinet Portfolio. The full breakdown of the Capital Programme by Portfolio can be found in Appendix 4(ii) with key scheme commentary in Appendix 2. Appendix 4(ii) sets out budget changes actioned since the February Budget setting and also reflects the rephasing requests of £46m as mentioned above, to be recommended for approval in the 2022/23 February budget report.

Portfolio Summary Monitor	Annual Current Budget 2021/22 £'000	Forecast 2021/22 £'000	In-Year Variance 2021/22 £'000	*Forecast Re-phasing to 2022/23 £'000*	*Other Variance 2021/22 £'000*
Economic Development and Resources	74,126	41,285	32,841	*32,790*	*51*
Climate and Sustainable Travel	10,070	9,064	1,006	*1,006*	*0*
Adults and Council House Building	9,183	8,277	906	*906*	*0*
Children and Young People, Communities and Culture	9,714	8,368	1,346	*1,346*	*0*
Neighbourhood Services	24,883	16,334	8,549	*8,549*	*0*
Transport Services	9,563	8,277	906	*906*	*0*
Grand Total	**137,538**	**91,539**	**45,999**	***45,948***	***51***

Note: Some of the figures in this table are affected by rounding.

The graph below illustrates the value and forecast against budget for all in year capital budgets by Cabinet Portfolio:



Capital Commentary

3.26 The key in year variances on the programme by portfolio include:

- **Economic Development and Resources** – Re-profiled spend in 2021/22 includes forecast rephasing of £11.7m of Housing Company loans after review of the ACL/ADL business plans, £9.1m for Bath Quays North, £4.6m for Bath

Western Riverside scheme, where phasing is being aligned with Homes England Grant.

- **Adults and Council House Building** – Works delayed due to Covid include Pemberley Place affordable housing scheme, grant funding of £300k now expected to be rephased into 2022/23. Disabled Facilities Grant for adaptions to enable independent living of £546k is also rephased into 2022/23.
- **Children and Young People, Communities and Culture –** Schemes funded by grant of £1m rephased into 2022/23 including the Pedestrian footbridge at St Nicholas Primary which is rephased whilst access agreements are finalised.
- **Neighbourhood Services –** £5.6m of budget for Pixash Waste re-development rephased into 2022/23 due to delays with the construction contract award. Vehicle replacement programme £0.9m of budget rephased into 2022/23 in line with the specialised tender timescales. £0.9m of budget is rephased for Sydney Gardens, where works are now expected to complete in the first quarter of 22/23 following programme delays arising from Covid.

RISKS

The key risks to the budget were outlined in the Councils 2021/22 Budget Report, in compliance with the Council's decision-making risk management guidance. These have been reviewed with the additional risks added below, including risks that specifically relate to the Covid-19 pandemic:

Risk	Likelihood	Impact	Risk Management Update
Continued government restrictions in the event of new variants impacting vaccine success	Possible	High	This is certainly a material risk, whilst not one the Council has direct control over, every step is being put in place to follow government guidance following the recommendations of our Director of Public Health.
Operational budget pressures due to latent demand and backlog	Possible	High	There is the risk of built-up demand on Council services and backlog because of operational activity being diverted to managing the Covid pandemic. This may result in one-off cost pressures to clear the backlog.
Long term impacts on the Councils Commercial Estate over and above anticipated levels.	Possible	High	Current modelling has been prudent anticipating a material impact in 2021/22. The roll back of the furlough programme could impact business viability and therefore risk of further voids will be monitored closely over the coming weeks and months.
The income from Heritage Services may not recover in the short term.	Possible	High	Continue to monitor income levels and impact on business plan in light of capacity restrictions. We anticipated income will not fully recover in the medium term and growth was built into the medium terms financial plan for the next three years.
Impact on Reserves	Possible	High	Without additional government grant in recognition of Covid related financial pressures there is the risk that Council reserve levels are not enough to manage in-year and future years risk.
Interest rates increase	Likely	Medium	A reserve is available for borrowing to manage market risk and long-term borrowing costs have been factored into the longer-term MTFS. Due to increasing inflationary pressures the current forecast from our treasury management advisors is that there will be an

			increase in Base Rate from 0.1% to 0.25% in the second quarter of 2022. They also forecast that borrowing rates will remain around current levels following recent increases before falling as inflation decreases. The Council will continue to consider shorter term borrowing options alongside the PWLB.
Volatility and uncertainty around business rates	Likely	High	The impacts of Covid-19 will increase the volatility and uncertainty around business rate income. In 2021/22 this risk will be partly offset by the extension of the business rate relief scheme for Retail, Leisure and Hospitality businesses. We continue to monitor arrears, CVAs, and liquidations with a specific reserve held to manage in-year volatility.
Capital projects not delivered resulting in revenue reversion costs or liabilities from underwriting agreements	Possible	High	The Council has a number of projects within this category. These risks will continue to be monitored and reported. An assessment is made as part of the budget process to ensure that revenue reserves are sufficient to meet these risks. The capital programme methodology looks to de-risk projects wherever possible.
Changes to Government Policy that affects future funding	Likely	High	Need to monitor and continue to highlight impact
Brexit risks	Likely	Medium	The short to medium term impacts of Brexit on the Councils supply chain may result in contractual cost pressures from customs tariffs that previously did not apply. Emerging risks to the Council through access to the labour market.
Funding pressures through WECA, CCG and other partners	Possible	Medium	Ensure good communication links with partner organisations.
Capital receipts in the areas identified are insufficient to meet target	Possible	Medium	There is a risk that a depressed market will impact on current values, in the short to medium term the Council should not rely on capital receipts as a key funding source.
Volatile energy market and price increases	Likely	High	Our Street Lighting contract is up for renewal, as will our gas and electricity contracts on 31/03/22. The significant increases in energy prices could result in a material financial pressure for the organisation.

4 STATUTORY CONSIDERATIONS

4.1 The annual medium-term financial planning process allocates resources across services with alignment of these resources towards the Council's corporate priorities. This report monitors how the Council is performing against the financial targets set in February 2021 through the Budget setting process.

5 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

5.1 The financial implications are contained within the body of the report.

6 RISK MANAGEMENT

6.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision-making risk management guidance.

6.2 The substance of this report is part of the Council’s risk management process. The key risks in the Council’s budget are assessed annually by each Director, with these risks re-assessed on a monthly basis as part of the budget monitoring process.

7 CLIMATE CHANGE

7.1 The Medium Term Financial Strategy and budget process aligns resources towards the corporate priorities and objectives set out in the Corporate Strategy, which includes tackling the climates emergency. This report monitors the Council’s financial performance against those budgets. and therefore does not include any decisions that have a direct impact on Climate Change.

8 OTHER OPTIONS CONSIDERED

8.1 None

9 CONSULTATION

9.1 Consultation has been carried out with the Cabinet Member for Economic Development & Resources, Directors, Section 151 Finance Officer, Chief Executive, Chief Operating Officer and Monitoring Officer.

9.2 Consultation was carried out at meetings and via e-mail.

Contact person	*Gary Adams – Head of Financial Management* *01225 477107* *Gary_Adams@bathnes.gov.uk* *Paul Webb – Finance Manager, Budget Reporting* *01225 477298* *Paul_Webb@bathnes.gov.uk*
Background papers	*N/A*
Please contact the report author if you need to access this report in an alternative format	