

Report for: Cabinet

Date of Meeting:	29 August 2023
Subject:	2023/24 QUARTER 1 MONITORING
Cabinet Member:	Cllr James Buczkowski, Cabinet Member for Finance
Responsible Officer:	Andrew Jarrett, Deputy Chief Executive (S151)
Exempt:	N/A
Wards Affected:	All
Enclosures:	Appendix A – General Fund Summary Appendix B – General Fund Service Variances Appendix C – Employee Cost Summary Analysis Appendix D – Income Summary Analysis Appendix E – HRA Summary and detail variances Appendix F – Capital Programme Summary

Section 1 – Summary and Recommendation(s)

To present the forecast Outturn position for the General Fund, Housing Revenue Account and Capital Programme for the financial year 2023/24.

Recommendation(s):

1. The Cabinet are asked to:

- a) **Note the financial monitoring information for the income and expenditure for the three months to 30 June 2023 and the projected outturn position;**
- b) **Agree the amendment to the Capital Programme of £3,733k reflecting the inclusion of Leasing costs in line with amended regulations and other additions since the budget was set;**
- c) **Note the updated Treasury Management reporting as required by regulation, and recommend that Council approves the changes to the treasury and prudential indicators in tables 6.3.1 and 6.3.2;**
- d) **Note the use of Waivers for the Procurement of goods and services as included in Section 9.**

Section 2 – Report

1.0 Introduction

- 1.1 This report contains information relating to the Council's overall financial performance for the 2023/24 financial year. Monitoring the Budget is an important part of the Council's performance management framework. The aim is to keep a tight control on spending on services within a flexible budget management framework.
- 1.2 The purpose of this report is to highlight to Cabinet our current financial status and the likely reserve balances at 31 March 2024. It encompasses both revenue, in respect of the General Fund, the Housing Revenue Account (HRA), and Capital Programme. The detail underpinning these projections is included within the body of report in the following sections / appendices:
- The projected General Fund outturn position for 2023/24 (**Section 3 + Appendices A to D**);
 - The projected HRA Outturn position for 2023/24 (**Section 4 + Appendix E**);
 - The projected Capital Outturn position for 2023/24 (**Section 5 + Appendix F**);
 - Summary Treasury Management position (**Section 6**);
 - Collection Fund Update (**Section 7**);
 - The projected Reserves Outturn position for 2023/24 (**Section 8**);
 - The Procurement Waivers utilised during the quarter (**Section 9**).
- 1.3 Favourable variances generating either increased income or cost savings are expressed as credits (negative numbers), whilst unfavourable overspends or incomes below budget are debits (positive numbers). Any variance against the agreed budget will impact on the Council's reserves. This monitoring focuses on significant budget variances (+/- £20k), including any remedial action where necessary leading to an estimated overall Outturn position.
- 1.4 The Council's financial position will be constantly reviewed to ensure its continued financial health and delivery of excellent Value for Money.
- 1.5 This report also includes Section 9 which updates Members on the use of Procurement Waivers during the first quarter of 2023/24. A procurement waiver is where contract procedure regulations have not been applied due to exceptional circumstances, such as urgency of the goods/services being required, or the specialist nature of the goods/services where there is no effective competition to provide it.
- 1.6 Members should note that officers have also identified areas where some unbudgeted expenditure can be mitigated through the use of earmarked reserves. Therefore this is shown in Appendix A within the individual service areas enabling clarity on the overall forecast outturn variance that will affect General Reserves.

1.7 A summary of the Council's Treasury Management year end position is shown in Section 8. This now includes further detail as required by new regulations.

2.0 Executive Summary of 2023/24

2.1. The report indicates a projected General Fund outturn variance of £527k over spend and a HRA outturn variance of £346k under spend. In respect of the Capital Programme, there is a variance of £26,241k against the 2023/24 Deliverable Budget, this is explained through a forecast £59k underspend, £1,229k overspend and slippage of £27,411k across various projects. These forecasts will continue to be refined during the year, which should result in more accurate year end forecasts.

2.2. The General Fund position must be considered against the position agreed by Full Council in March to draw £625k from General Reserves to balance the budget and the £400k vacancy saving target to be identified in-year. Therefore, to have reduced this £1,025k challenge to £527k is actually disciplined budgetary control and a reduction to the planned draw from reserves of £98k. Therefore, the reported position should be considered positively at this point in the year.

2.3. Although overall targeted staffing savings are on track, the Council continues to struggle with recruitment and retention particularly within Waste requiring higher usage of agency staff than planned. Some service areas that were dependent upon agency support have reduced or removed this requirement through successfully filling roles. Therefore forecast outturn agency costs are significantly lower than last year.

2.4. In respect of income, there are significant reductions in Planning and Building Control income due to the increasingly depressed housing market leading to fewer planning applications and build sign offs.

2.5. If the forecast level of overspend is required to be covered from General Reserves, this will reduce the balance to £1,497k rather than the planned £1,400k, thereby reducing the requirement by £98k. However, this is below the agreed minimum £2m balance and therefore action needs to be taken to address the matter, through the wider MTFP strategy.

3.0 The General Fund

3.1. The forecast General Fund over spend for the current year is £527k after transfers to and from Earmarked Reserves. A summary explanation of these key variances is shown in **Appendix A**, service by service. **Appendix B** also provides the detail of the key variances and those above £20k (+ or -) at individual service level to enable full transparency of the position.

- 3.2. The table below shows the overall Budget, Forecast and Variance, summarised for 2023/24.

Table 1 – General Fund Summary

Financial Summary for 2023/24	2023/24 Budget £	2023/24 Forecast £	2023/24 Variance £
Total Net Cost of Services	15,664,819	15,834,270	169,451
Other Income and Expenditure	(3,201,584)	(2,862,678)	338,905
Total Net Budgeted Expenditure	12,463,235	12,971,593	508,356
Total Funding	(12,463,235)	(12,444,489)	18,746
Net Income and Expenditure	0	527,102	527,102

- 3.3. The current incomes from our major fee income streams are shown in **Appendix C**. It shows that the full year forecast Income variance is £131k above budget. However, this excludes the impact of £68k reduced recycle income. The lower than forecast income in Planning and Building Control reflect the economic/market conditions. Car Parking income is slightly down on budget due to the delay in implementing the tariff increases. Within Waste, Garden and Trade waste is healthy and above forecasts, however recycle prices, which are excluded from Appendix C, have dropped and therefore this income stream is lower than expected. Similarly, waste disposal charges have increased by £20 per tonne. Other Service income streams remain relatively close to expectations.
- 3.4. The current employee costs are shown at Appendix D. It shows a full year forecast under spend of £273k, after taking into account the £400k vacancy target included within Corporate Management (with the actual savings shown against the respective service areas). This is due to continued vacancies and in some cases increased sickness absence. Notable savings are being made in Property, Economic Development, Planning and IT due to vacancies not being filled. All vacancies are fully reviewed to consider if the position can be removed permanently. Within Public Health, the use of Homes for Ukraine funding is offsetting the administrative cost of operating the scheme on behalf of the government. No service is showing an over spend on staff costs.
- 3.5. The forecast impact on the outstanding local government pay award has been amended from the assumed 5.5% budgeted uplift, to reflect the current (rejected) offer of the higher of £1,925k or 3.88%. This creates a relatively minor variance (+ or -) in each service area depending on the average pay in that area.
- 3.6. Agency Spend to date continues to be high following on from 2022/23. This is particularly applicable to Waste which has high levels of sickness in the year so far and is required to maintain the service. This is partially offset by underspends on the staffing establishment, leading to a net additional cost of

£226k. However, some vacancies have been filled, in planning for example, meaning that the forecast for the remainder of the year is markedly lower than in the prior year. This reduction is also driven in part by the need to offset the vacancy target and the agreed draw from general reserves. Some agency is funded by grant to undertake specific project work, such as economic development.

- 3.7. The Other Income and Expenditure variance shown in the table within para 3.2 above, includes the budgeted £625k draw from General Reserves, whereas the final outturn variance will be the actual transfer to or from General Reserves. Therefore the £625k is not shown to be drawn at this time.
- 3.8. Interest received on temporary treasury investments were higher (£94k) than budget due to continued increase in interest rates following setting the budget.
- 3.9. Following the rejection of business plans submitted by the Council's subsidiary company, 3 Rivers Developments Ltd, and the decision to only allow the company to complete their live developments, further impairments were processed at 2022/23. Depending on the future of the company, additional impairments will likely be required. Both live developments are entering their final stages with completion on St George's expected imminently and by the end of the year at Bampton.

4.0 Housing Revenue Account (HRA)

- 4.1. This is a ring-fenced reserve in respect of the Council's housing landlord function. It is increased or decreased by the surplus or deficit generated on the HRA in the year. At Quarter 1 2023/24 the forecast year end budget position is a net surplus of £346k. An explanation of the key variances and those above £20k + or -) are highlighted within **Appendix E**.
- 4.2. A snapshot of a number of the more significant variances identified giving rise to the forecast surplus:
 - £251k salary savings due to vacant posts and delays in filling vacancies, net of pay award;
 - £200k overspend on external contractors this largely as a consequence of staff shortages;
 - £50k additional spend requirement on materials;
 - £94k additional investment income on cash balances;
 - £211k underspend forecast on capital financing costs due to slippage to the 2023/24 projected capital spend;
 - £55k surplus between housing and garage rents
- 4.3. It is anticipated that the forecast variance will increase the budgeted transfer to the Housing Maintenance Fund and so the HRA reserve balance will remain at £2m.

5.0 Capital Programme

5.1. The Capital Quarter 1 summary is attached as Appendix F to this report. The total Capital Programme Approval is £139,277k, although much of this is planned to be spent in future years. Therefore a Deliverable Programme for 2023/24 of £66,296k has been set. These schemes will continue to be funded as before through a mix of unspent Capital Grants, Capital Earmarked Reserves or Prudential Borrowing. The Deliverable Programme detailed above has been adjusted by £3,733k for the following additional projects that have been identified since setting the budget:

- Forecast Lease additions are now included in the Capital Programme as they contribute to our Capital Financing Requirement, these are all related to Vehicles £347k in the General Fund and £180k in the HRA;
- Two additional properties have been purchased to help with the Private Sector Housing need by utilising government grants; these amount to £371k, this includes the initial purchase price and required works in order to bring them into use. It is anticipated that there will be two more acquisitions during 23/24;
- £347k Capital Grant Funding has been received for The Shared Prosperity Fund and Rural England Prosperity Fund. It is anticipated that this will be spent during 2023/24 to help improve the vibrancy of Town Centres;
- £2,488k to be made available to 3 Rivers in order to complete those developments currently under construction in line with the Full Council decision.

5.2. At Quarter 1 the actual, committed and forecast spend for 2023/24 amount to £17,486k; leaving a variance of £48,810k against the 2023/24 Deliverable Budget. Of which, £59k is an under spend; £1,229k is an over spend, £27,411k will slip into future years and £22,568k is no longer required. This can be explained by the following key variances.

£59k Under spend

- £42k relating to Spin Bike replacement in our three Leisure sites (just to note this is partially offset by additional spend of £31k on other Leisure equipment projects at EVLC and LMLC).

£1,229k Over spend

- £432k on various Housing schemes (Projects 8, 33 & 37) where we are ahead of anticipated profile in terms progress on feasibility work;
- £743k in relation to modular schemes in Tiverton and Cullompton, additional funding has been achieved for these projects and is referred to on Appendix F.

£27,411k Slippage into future years

- £13,138k Cullompton Town Centre Relief Road (HIF project) – project currently on hold following the second rejection of a bid for Levelling-up Funding – alternative funding options continue to be explored;
- £1,000k Land Acquisition – Continuation of search for suitable site;
- £13,273k various HRA development projects to be completed largely in 2024/25 and 2025/26.

£22,568 Budget no longer required

- £22,061k relating to 3 Rivers schemes of which delivery is being further considered;
- £396k relating to CVSC potential energy savings works – as funding bid was unsuccessful;
- £111k relating to HRA development Project 41 as this was spent in 2022/23.

5.3. The expenditure will be funded by the use of £1,491k of Capital Receipts (including 1-4-1 receipts), £1,733k grant funding, £5,470k Revenue Contributions such as S106 or utilisation of reserves and £8,792k through internal borrowing. No further external borrowing has been required during the year.

5.4. The movement on the Capital Receipts Reserve for the year is given below:

Table 3 – Capital Receipts Reserve Summary

Capital Receipts Reserve Summary	£k
Balance at 1 April 2023	(7,309)
Sale of Council Houses (nil to date – forecast 10)	(909)
General Fund Sales	(49)
Pooling of Housing Capital Receipts to Government	0
Forecast Capital Receipts to be applied in year	1,491
Balance at 31 March 2023	(6,776)

Note – the remaining balance of £6,776k is committed in order to fund any slippage, specific projects in ICT and Private Sector Housing and to balance the Capital Medium Term Financial Plan.

5.5. Only £72k is expected to be required from the Capital Earmarked Reserve to fund capital projects; therefore, the forecast balance on this reserve is £143k at 31st March 2024. This remaining balance is committed to fund any slippage and to balance the Capital Medium Term Financial Plan.

5.6. The Council also holds New Homes Bonus which can be used for either Revenue or to support future Capital Programmes, the balance held at 31 March 2023 is £2,883k again, of which £401k is committed to support the 2023/24 Revenue Budget and £472k is expected to fund the forecast Capital spend for 2023/24 and a further £650k of this remaining balance to fund future

Capital Spend. The remainder is expected to be used to support future Revenue spending.

6.0 Treasury Management

6.1. The CIPFA (Chartered Institute of Public Finance and Accountancy) Code of Practice for Treasury Management 2021 introduced a new requirement for 2023/24 that members be updated on treasury management activities and indicators at least quarterly. This section, therefore, ensures this Council is implementing best practice in accordance with the Code.

6.2. Prudential and Treasury Indicators for 2023/24 as of 30 June 2023

6.3. It is a statutory duty for the Council to determine and keep under review the affordable borrowing limits. During the quarter ended 30 June 2023, the Council has operated within the treasury and prudential indicators set out in the Council's Treasury Management Strategy Statement for 2023/24 (approved at Full Council 08/03/2023). The Deputy Chief Executive (S151) reports that no difficulties are envisaged for the current or future years in complying with these indicators.

6.3.1. The Council's updated treasury indicators for 2023/24 are as follows:

Treasury Indicators	2023/24 Original Forecast £000	2023/24 Q1 Updated Forecast £000
Authorised Limit for External Debt	107,000	64,000
Operational Boundary for External Debt	98,000	55,000
Gross External Debt	45,910	33,450
Short-Term Investments	10,000	20,000
Net Borrowing	35,910	13,450

6.3.2. The Council's updated prudential indicators for 2023/24 are as follows:

Prudential Indicators	2023/24 Original Forecast £000	2023/24 Q1 Updated Forecast £000
Capital Expenditure	64,826	17,486
<i>Of which General Fund</i>	17,084	4,005
<i>Of which HRA</i>	21,634	9,745
<i>Of which Loans to Subsidiary Company</i>	26,108	3,736
Capital Financing Requirement (CFR)*	96,793	53,623
<i>Of which General Fund</i>	14,223	9,832
<i>Of which HRA</i>	51,934	43,791
<i>Of which Loans to Subsidiary Company</i>	30,636	0
Annual Change in CFR	25,814	(10,969)
In-Year Borrowing Requirement	12,500	0

**see 6.4 for more information*

6.4. Investment Portfolio

6.4.1. In accordance with the Code, it is the Council's priority to ensure security of capital and liquidity, and to obtain an appropriate level of return which is consistent with the Council's risk appetite. Continued increases to Bank Rate throughout the first quarter of the year, and anticipated future increases, have led to steady increases in rates offered by banks and building societies, with current rates far exceeding levels seen over recent years. These increases appear to be levelling off, but due to the timing of deposits, the full benefit of the higher interest rates will not be seen until late 2023/24.

6.4.2. The Council's investment portfolio as at 30 June 2023 was made up of short term investments/deposits to the value of £22.92m, comprising of £21.50m in fixed term investments and £1.42m in NatWest call accounts. In addition to this, the Council also holds £5.00m in the CCLA commercial property fund.

6.4.3. The following table shows short term investments/deposits held as at 30 June 2023.

Institution	Principal £000	Interest Rate	Start Date	Maturity Date
Thurrock Council	2,000	3.550%	25/10/2022	24/10/2023
West Dunbartonshire Council	2,000	3.900%	25/10/2022	25/07/2023
NBK International PLC	2,000	5.020%	02/05/2023	02/11/2023
NBK International PLC	2,000	4.700%	02/05/2023	02/08/2023
NBK International PLC	1,000	4.970%	15/05/2023	15/11/2023
Santander	2,000	4.600%	15/05/2023	15/08/2023
Goldman Sachs International Bank	2,500	4.835%	26/05/2023	29/08/2023
Goldman Sachs International Bank	2,500	4.840%	01/06/2023	01/09/2023
Santander	2,000	4.930%	16/06/2023	18/09/2023
DMO	3,500	4.880%	26/06/2023	03/07/2023

6.4.4. The Council received an average return of 4.21% on investments during the first three months of 2023/24, up from 0.57% at the same point in the previous year. Returns during the early part of 2023/24 were weakened slightly by maturing investments made before the full extent of Bank Rate increases was known, and so this rate is slightly below the interest rates on offer during that time. Performance is expected to improve marginally through the rest of 2023/24 following further increases to interest rates.

6.4.5. The Council currently has £5m deposited with the CCLA (Churches, Charities and Local Authorities) Local Authorities' Property Fund, which pays dividends quarterly. For the first quarter of 2023/24, dividends of £55k (4.39%) were

received, up from £47k (3.73%) for the same period in 2022/23. There has been a small decrease in fund value of £6k during the first quarter of 2023/24. The Council's share in the fund is now valued at £4.632m.

- 6.4.6. Officers can confirm that the approved limits within the Annual Investment Strategy were not breached during the quarter ended 30 June 2023.

6.5. Borrowing

- 6.5.1. The Council has no short-term borrowing but has existing PWLB loans of £33.310m as at 30 June 2023, in addition to £2.037m in finance leases.

- 6.5.2. The Council's revised Capital Financing Requirement (CFR) for 2023/24 is £53.623m, a reduction against the original forecast due to slippage and underspends in the Capital Programme (see 5.2 for more detail). The CFR denotes the Council's underlying need to borrow for capital purposes. If the CFR is positive the Council may borrow from the PWLB or the market (external borrowing) or from internal balances on a temporary basis (internal borrowing). The balance of external and internal borrowing is generally driven by market conditions. Table 6.3.1 shows the Council has forecast borrowings at 31 March 2024 of £33.450m, and so will have utilised £20.173m of cash flow funds in lieu of borrowing to finance the CFR of £53.623m shown in table 6.3.2.

- 6.5.3. There has so far been no new borrowing in 2023/24, and it is expected that there will not be a need for new borrowing before the end of the financial year. This is a reduction in the level of borrowing forecast at the start of the year, which originally stood at £12.500m, and is mainly due to slippage in the Capital Programme.

6.6. Economic Update

- 6.6.1. The Council's treasury advisor, Link Group, provided the following forecasts on 26 June 2023 (PWLB rates are certainty rates, gilt yields plus 80bps):

Link Group Interest Rate View	26.06.23												
	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26
BANK RATE	5.00	5.50	5.50	5.50	5.25	4.75	4.25	3.75	3.25	2.75	2.75	2.50	2.50
3 month ave earnings	5.30	5.60	5.50	5.30	5.00	4.50	4.00	3.50	3.00	2.70	2.60	2.50	2.50
6 month ave earnings	5.80	5.90	5.70	5.50	5.10	4.60	4.00	3.50	3.00	2.70	2.60	2.60	2.60
12 month ave earnings	6.30	6.20	6.00	5.70	5.30	4.80	4.10	3.60	3.10	2.80	2.70	2.70	2.70
5 yr PWLB	5.50	5.60	5.30	5.10	4.80	4.50	4.20	3.90	3.60	3.40	3.30	3.30	3.20
10 yr PWLB	5.10	5.20	5.00	4.90	4.70	4.40	4.20	3.90	3.70	3.50	3.50	3.50	3.40
25 yr PWLB	5.30	5.40	5.20	5.10	4.90	4.70	4.50	4.20	4.00	3.90	3.80	3.80	3.70
50 yr PWLB	5.00	5.10	5.00	4.90	4.70	4.50	4.30	4.00	3.80	3.60	3.60	3.50	3.50

- 6.6.2. It is now expected that the MPC will continue to increase Bank Rate to at least 5.5%, and that it will remain elevated for a short period before it starts to gradually decline over the medium term.

6.6.3. The first quarter of 2023/24 saw:

- A 0.2% m/m rise in real GDP in April, partly due to fewer strikes;
- CPI inflation falling from 10.1% to 8.7% in April, before remaining at 8.7% in May. This was the highest reading in the G7;
- Core CPI inflation rise in both April and May, reaching a new 31-year high of 7.1%;
- A tighter labour market in April, as the 3myy growth of average earnings rose from 6.1% to 6.5%;
- Interest rates rise by a further 75bps over the quarter, taking Bank Rate from 4.25% to 5.00%;
- 10-year gilt yields nearing the “mini-Budget” peaks, as inflation surprised to the upside.

6.7. Other

6.7.1. During the quarter ended 30 June 2023, a further £977k was loaned to 3 Rivers Developments Limited, a wholly owned subsidiary company of the Council. The total outstanding loan value at this date was £21,052k. Interest of £289k was charged by the Authority in respect of these loans for the period 1 April 2023 to 30 June 2023.

7.0 The Collection Fund

7.1. Mid Devon is a Collection Authority for Council Tax and Non-Domestic Rates, and as such, is required to produce a Collection Fund Account for the Mid Devon area.

7.2. The Council collects Council Tax on behalf of Devon County Council, Devon Fire and Rescue Service, Devon & Cornwall Police and the Town/Parish Councils. The forecast Council Tax collection rate for 2023/24 is 96.38% (97.1% in 2022/23). The budget was based upon a collection rate of 96.5% and therefore this resulted in a forecast collection deficit of £12k for the year, with Mid Devon’s share of this amounting to £2k. In addition, there was a significant movement between the January collection forecast to the 2022/23 outturn position resulting in an additional deficit of £744k, with Mid Devon’s share being £98k. Therefore the overall deficit is £756k with £100k specifically applicable to Mid Devon District Council.

7.3. The Non-Domestic Rates collection rate is forecast to be 96.75% for 2023/24 (96.8% in 2022/23). This leads to a forecast collection deficit of £354k for the year, with Mid Devon’s 40% share of this amounting to £154k. In addition to this, the Devon Business Rates Pool is forecast to collectively make a surplus and Mid Devon’s share is forecast as £150k.

7.4. This demonstrates how our Revenues section has consistently been effective in collecting the annual charge in extremely challenging economic times.

8.0 Reserves

- 8.1. The General Fund Reserve is the major Revenue Reserve of the Council. It is increased or decreased by the surplus or deficit generated on the General Fund in the year. This reserve held a balance of £2,025k at the start of the year.
- 8.2. During the 2023/24 budget setting process a number of late changes were required in order to agree the budget. Given the timing of these changes, it required funding to be taken from the General Fund Reserve, which will reduce the balance below the minimum £2,000k requirement.
- 8.3. However, the actual reserve will be increased or decreased by the surplus or deficit generated on the General Fund in the year. As outline above, this is currently forecast to be £527k.
- 8.4. The table below shows the opening position of key operational balances of the Council, the forecast in year movements and final predicted position at 31 March 2024:

Table 4 – Summary of Key Reserves

Usable Reserves	31/03/2023	Forecast In Year Movement	31/03/2023
REVENUE	£000's	£000's	£000's
General Fund (See Section 3)	(2,025)	527	(1,497)
Earmarked Reserves	(18,160)	192	(17,968)
HOUSING REVENUE ACCOUNT (See Section 4)	(2,000)	(346)	(2,346)
CAPITAL Receipts Reserve	(7,309)	533	(6,776)

- 8.5. The General Reserve held a balance of £2,025k as at 31/03/23 and as shown above is currently forecast to decrease to £1,497 due to the forecast £527k over spend. This falls below the agreed minimum of £2,000k. Cabinet, in consultation with the Deputy Chief Exec (S151), will need to consider whether the minimum level remains appropriate and assuming so, have a plan as to how and over what period it will be replenished back to the £2,000k minimum.

9.0 Procurement Waivers

- 9.1. In exceptional circumstances, there are sometimes justifiable reasons to act outside the contract procedure regulations. These include the following reasons:
- I. The work, goods or materials are urgently required, and loss would be entailed by delay arising from advertising;

- II. The work, goods or materials required are of such special nature that no advantage would accrue by inviting competitive tenders;
- III. There is no effective competition for the goods or materials required by reason of the fixing of prices under statutory authority or that such goods or materials are patented or proprietary articles or materials;
- IV. Transactions, which, because of special circumstances, may (either individually or as a class) be excepted from time to time by the Cabinet of the Council.

9.2. In such circumstances, prior written approval of the Deputy Chief Executive (S151) is required and Cabinet will be informed. Below is a list of the Procurement Waivers utilised during the first quarter of this financial year:

Table 5 – Summary of Procurement Waivers applied

Ref	Subject of the Waiver	Approximate Value £	Reason Code
1	Award of a contract for the supply only of windows, doors and shower wall panels and accessories 2023 - 2026	Up to £50k per annum	III
2	Renewal of Fire Alarm System at Lords Meadow	£22k	II
3	Housing Benefit Subsidy Audit	£20k	II
4	Opentext MetaStorm CRM Software maintenance renewal	£8k	I, II and III
5	Use of The Oyster Partnership to provide specialist agency workers to cover externally funded projects	£180k	I and II
6	Supply of First Aid & Lifeguard training/qualifications	£10k	II and III
7	Ongoing maintenance and repair of Godswill Baler	£170k	I, II and III
8	Completion of electrical works by MAT Electrical after Robert Heath Ltd left unfinished works	£25k	I

10.0 Conclusion

- 10.1. Members are asked to note the Revenue and Capital Outturn figures for the financial year 2023/24 and the use of procurement waivers during the quarter.
- 10.2. In addition, Members are requested to approve the addition of the Leasing budgets to the 2023/24 Capital Programme in line with updated regulations. Similarly, Members are asked to note the expanded Treasury Management information provided – again in line with updated regulations.
- 10.3. We continue to closely monitor the financial position and amend our expectations accordingly. The budget process for 2024/25 is now underway and Managers are working hard to develop proposals to mitigate the future year's forecast shortfalls.

Financial Implications

Good financial management and administration underpin the entire document. A surplus or deficit on the Revenue Budget will impact on the Council's General Fund balances. The Council's financial position is constantly reviewed to ensure its continued financial health.

Legal Implications

None.

Risk Assessment

Regular financial monitoring information mitigates the risk of over or underspends at year-end and allows the Council to direct its resources to key corporate priorities. Members will be aware that the Council continues to face a financially difficult and uncertain future. As such, the Strategic Risk Register (monitored by Audit Committee) includes a specific risk relating to this issue (CR7).

Impact on Climate Change

The General Fund, Capital Programme and the Housing Revenue Account all contain significant investment in order to work towards the Council's Carbon Reduction Pledge.

Equalities Impact Assessment

No equality issues identified for this report.

Relationship to Corporate Plan

The financial resources of the Council impact directly on its ability to deliver the Corporate Plan prioritising the use of available resources in 2023/24. The Monitoring Report indicates how the Council's resources have been used to support the delivery of budgetary decisions.

Section 3 – Statutory Officer sign-off/mandatory checks

Statutory Officer: Andrew Jarrett

Agreed by or on behalf of the Section 151

Date: 03/08/2023 via Leadership Team meeting

Statutory Officer: Maria De Leburne

Agreed on behalf of the Monitoring Officer

Date: 08/08/2023 via Leadership Team meeting

Chief Officer: Stephen Walford

Agreed by or on behalf of the Chief Executive/Corporate Director

Date: 08/08/2023 via Leadership Team meeting

Performance and risk: Dr Stephen Carr

Agreed on behalf of the Corporate Performance & Improvement Manager

Date: 23/05/2023

Cabinet member notified: Yes

Section 4 - Contact Details and Background Papers

Contact: Paul Deal, Corporate Manager for Finance, Property and Climate Change

Email: pdeal@middevon.gov.uk

Telephone: 01884 23(4254)

Background papers: 2023/24 Budget Report to Cabinet / Full Council