

NOT FOR PUBLICATION: Appendices A, B, C, D and E to this report contain information considered to be exempt under Paragraph 3 of Schedule 12A to the Local Government Act 1972 as amended

Agenda Item No.

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**REPORT TO:** Management Board  
Overview & Scrutiny  
Cabinet

**DATE:** 24 October 2022  
7 November 2022  
9 November 2022

**SERVICE AREA:** Finance  
Organisational Development & Improvement

**REPORTING OFFICER:** Head of Finance  
(*Service Finance Manager – Gillian Morland*  
*Improvement & Development Manager – Sarah Cornforth*)

**SUBJECT:** **2022/23 OCTOBER FINANCIAL & SERVICE PLAN  
PERFORMANCE UPDATE**

**WARD/S AFFECTED:** ALL DISTRICT

**FORWARD PLAN REF:** N/A

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**1.0 PURPOSE OF REPORT**

1.1 The report presents the Council's latest financial position and a summary of service plan performance (on an exception basis). Full details on performance can be found on Pentana, the Council's Performance Management Information System. Performance data relates to the position at the end of Quarter Two unless otherwise specified.

**2.0 RECOMMENDATION**

2.1 That the Council's current financial position, a forecast overspend of £2,503k, and service plan exception reporting, is noted.

**3.0 RECOMMENDED REASON/S FOR DECISION/S**

3.1 It is good financial discipline that regular reporting is presented to Management and Members so as to ensure expenditure remains within

budget, that potential underspends are highlighted and areas that are off target are highlighted and mitigating actions can be identified.

#### 4.0 ALTERNATIVE OPTION CONSIDERED AND RECOMMENDED FOR REJECTION

4.1 Not to receive financial reporting which would weaken financial control, increase the risk of overspends against budget or missed opportunities to utilise underspends or identify mitigating actions.

#### 5.0 THE REPORT

##### General Fund

5.1 The Council is currently reporting a forecast overspend of £2,503k in 2022/23 on General Fund activity. At this time last year there was a forecast underspend of £436k for 2021/22.

The forecast overspend reflects both a combination of utility costs at a net £1.7m and the 2022/23 pay award at £1.1m. Management Board considered the utility overspend and a potential pay award cost, alongside the large underspend being reported in the 2021/22 outturn report. A recommendation by Management Board to set aside £500k to make a provision towards the utility costs was approved by Cabinet and ratified by full Council in September and is reflected in the net cost of utilities increase. At that time, whilst it was expected that the pay award was likely to be agreed at a level higher than the budgeted 2.5%, it was anticipated it might be in the order of 4%. The actual increase of £1,925 on every spinal column point represents an average increase of circa 6.7%. Previous experience suggests that the currently forecast salary saving arising from vacancies will be much higher by the year end as this figure tends to increase as the year progresses and vacancies occur. Whilst it may well go some way to meeting the balance of the cost pressures, it is highly unlikely to completely offset them and it will be necessary to utilise the Budget Transition Fund (balance of £895k) and ultimately the General Fund Working Balance (balance of £2,500k) at year end to meet any overspend that arises.

##### Summary of key variances

5.2 The key variances making up the current forecast are shown in Table 1 below.

<u>Significant variances:</u>	Q1 £000	Q2 £000	Change £000	
Impact of 21/22 pay award	-189	-189	0	Assumed 2.5% actually 1.75% for most
Impact of the proposed 22/23 pay award	0	+1,073	+1,073	Proposal equates to 6.7% c/f budgeted 2.5%
Salary savings net of associated costs	-318	-735	-417	Result of staff turnover

Kerbside recycling income net of associated costs	-400	-419	-19	Commodities market performing well
Forecast utility overspend (net of provision and external income)	+1,230	+1,688	+458	Gas £1.6m, Electricity +£720k, Water -£30k, heating oil +£10k less £500k provision and £112k DH/DR income
Forecast fuel overspend	+366	+100	-266	
PES temporary staff / overtime / holiday pay	0	+174	+174	Linked to vacancies
Planning application income shortfall	0	+320	+320	Forecast 15.6% reduction in applications
EDU rental income shortfall	+12	+74	+62	
Interest income	-25	-190	-165	Higher interest rates / Bracewell
Revenues Recovery Income	0	+50	+50	
Credit card fees	0	+50	+50	
Winter gritting	0	+65	+65	Prior year impact
Corporate training	0	-60	-60	
Green Waste	-28	+53	+81	Increased income more than offset by increased disposal costs
PES other income variances	0	+71	+71	Bereavement, MOT, markets, GIP
Off-street car parking income shortfall	+78	+293	+215	£3.4m budget
<b>Total</b>	<b>+726</b>	<b>+2,418</b>	<b>+1,692</b>	
<u>Other Variances:</u>				
All other (net)	-25	+85	+110	
<b>Total</b>	<b>-25</b>	<b>+85</b>	<b>+110</b>	
<b>Grand Total</b>	<b>+701</b>	<b>+2,503</b>	<b>+1,802</b>	

Table 1: Key Variances – October 2022/23

The following points in relation to this forecast should be noted:

- Forecasting focuses on large and volatile budgets. Across the Council there are many small budgets and whilst we pick up any expected variances in these as far as is possible, the cumulative effect of variances in these smaller budgets can be significant.

- The financial forecasts of the year-end position included in this report are for the most part based on actuals to the end of August 2022. As a result, the actual variance will be different from the latest forecast; forecasts are only our best estimate, circumstances will change and there will be items that could not have been foreseen.

### **Summary of Service Variances**

5.3 A service by service summary is shown in Table 2 below.

	Net Controllable Budget £000	Q1 Variance £000	Q2 Variance £000	Change £000
<b>Economy, Environment &amp; Housing:</b>				
Housing & Property	1,741	-31	+49	+80
Parks & Environmental Services	3,732	-114	+425	+539
Sport & Leisure	1,321	0	0	0
Place-Shaping & Economic Growth	5,690	+1,224	+2,090	+866
<b>Corporate Affairs:</b>				
Safer Communities	-1,358	+60	+282	+222
Finance	2,593	-117	-14	+103
Legal & Governance	2,291	-12	-100	-88
ICT	3,036	-100	-52	+48
Organisational Development & Improvement	2,123	-118	-146	-28
<b>HCC:</b>				
Harrogate Convention Centre	-1,211	-14	+104	+118
Destination Marketing Organisation	1,522	-32	+25	+57
Treasury Management & Other Corporate Items	335	-45	-160	-115
<b>Total Net GF Expenditure</b>	<b>21,815</b>	<b>+701</b>	<b>+2,503</b>	<b>+1,802</b>
Funding	-21,815	0	0	0
<b>Net Position</b>	<b>0</b>	<b>+701</b>	<b>+2,503</b>	<b>+1,802</b>

Table 2: Financial Position – October 2022/23

### 5.4 **Breakdown of Forecast Salary Savings by Service**

The table below shows the forecast salary savings (net of vacancy provision and associated costs such as temporary staff and overtime) with the number of external leavers since 1<sup>st</sup> October 2021. Turnover is calculated from the number of external leavers as a percentage of service headcount. Internal leavers are not included in this calculation. The % is a 12 month rolling figure. Turnover has stayed consistent with last month, with a small decrease of 0.1% from 16.7% to 16.6%. Turnover is the highest in ODI,

HCC and Safer Communities. PSEG, Legal and Finance have the lowest rates of turnover.

Service	Forecast Salary Savings net of vacancy provision and associated costs £000	New starters over past 12 months	Number of leavers over past 12 months	Turnover rate over past 12 months
Housing & Property	-27	31	32	16.0%
Parks & Environmental Services	0	43	45	17.9%
Sport & leisure	0	n/a	n/a	n/a
Place-Shaping & Economic Growth	-110	10	16	14.8%
Safer Communities	-68	5	14	21.5%
Finance	-152	12	10	9.0%
Legal & Governance	-144	1	3	9.0%
ICT	-105	1	4	16.6%
Organisational Development & Improvement	-143	8	17	40.5%
Harrogate Convention Centre	+53	8	17	28.8%
Destination Marketing Organisation*	-39	16	n/a	n/a
<b>Total Reported</b>	<b>-735</b>	<b>135</b>	<b>158</b>	<b>16.6%</b>

Table 3: Salary Savings by service – October 2022/23

\*Turnover for the DMO included in HCC figure

- 5.5 The forecast overspend of £2,503k an increase of £1,802k compared to the quarter 1 report, and changes since that report (items in brackets) is due to the following main reasons:

#### Economy, Environment & Housing

##### **Housing & Property (+£49k)**

The service is forecasting an overspend of £49k, an increase of £80k from the quarter 1 report. There will be a £9k salary saving arising from the lower than expected 2021/22 pay award but a cost of £58k for the 2022/23 pay award (+£58k) and we are forecasting other salary savings of £27k (-£5k). We are forecasting a £27k overspend on street lighting primarily due to energy costs and street nameplates, partly offset by savings on defect remedies (+£27k). In addition to this there are anticipated overspends of £12k on homelessness (+£12k) and of £10k on mobile & building cleaning (+£10k), but additional income (including a grant) of £19k (-£19k), together with a small saving of £3k on all other items (-£3k).

Excluding the corporate pay award net cost of £49k, the service is forecasting to outturn on budget.

The Housing & Property service plan is currently making progress, this includes major projects around improving the energy efficiency of council homes and implementing a facilities management system. The service has completed a review of the Domestic Violence Policy in Q2.

For Housing PIs, strong performers this quarter include

- A 3<sup>rd</sup> consecutive quarter with no gas safety certificates as outstanding
- A large number of affordable homes delivered with 149 against a target of 110. The 89 completions in Q2 comprised 60 properties for affordable rent and 29 for shared-ownership.
- The service's repair PIs continue to show high levels of satisfaction from customers and most categories of repairs being completed within time scales.

The PI for number of people accessing housing options advice has continued to increase on the previous quarter as the national cost of living crisis continues. The figure has increased from 370 last quarter to 394 in Q2. This is the second highest figure recorded since the PI started in 17/18, and is second only to Q2 20/21 during the pandemic. Increase in demand for housing services very much reflects broader national trends.

The number of days taken to license/relicense HMOs has increased to 370 from 323 last quarter. However, the service has been making good progress working through the backlog and it has cut the number of applications outstanding from 26 in Q1 to 20 in Q2.

### **Parks & Environmental Services (+£425k)**

The service is forecasting an overspend of £425k, an increase of £539k from the quarter 1.

Whilst the figure includes a £52k salary saving arising from the lower than expected 2021/22 pay award, there is a cost of £413k due to the 2022/23 pay award (+£413k). Aside from this on salaries, there is an expected overspend of £174k on temporary staff, overtime and holiday pay linked to vacancies (+£174k). There are no reported salary savings from vacancies as yet, as the value of such savings has yet to offset the vacancy provision of £215k.

The service is anticipating a £100k increase in the cost of fuel arising from price increases in the year, partly offset by reduced usage (-£266k). We are forecasting additional income from kerbside recycling of £550k, as the commodities market continues to perform better than assumed in the budget, but there are additional waste container purchase costs of £131k to be offset against this giving a net income figure of £419k (-£19k). The service had intended funding the waste container purchases from the additional kerbside recycling income in last year but as the containers were not received before year end, the cost relates to 2022/23. Both the fuel and recycling income variances are subject to change as the year progresses. The forecast for kerbside recycling income is based on current market performance but the market is volatile and should there be a sudden drop in prices then this income will not be achieved.

We anticipate an overspend of £65k on winter gritting as a result of late invoices relating to last year (+£65k). We are forecasting a net overspend

on green garden waste of £53k - additional subscription income of £38k is more than offset by a forecast shortfall of £4k in recycling income and a forecast overspend of £87k in disposal charges (+£81k). We are also forecasting net shortfalls of £45k in cremations and burials income (+£45k), of £15k in MOT income (+£15k) and of £15k in markets income (+£15k), an overspend of £32k in relation to playground maintenance (+£32k), a saving of £19k in replacement tyre costs (-£19k), a saving of £15k in marketing expenditure (-£15k) and a net £18k cost in all other items (+£18k).

Excluding the corporate pay award net cost of £361k, the service is forecasting an overspend of £64k.

The latest profit & loss accounts for Green Waste, Trade Waste and the Plant Nursery can be found at **exempt Appendices B, C and D** to this report.

The Parks & Environmental Services service plan performance is progressing well with a series of short term improvements to the depot being completed with the installation of a new heating system and fuel supply being installed at the Claro Road site.

Performance indicators for Parks are largely on-target. The provisional Q2 figure for tonnage of residual waste collected is performing significantly better than its target of 8,125 tonnes with a figure of 7,274 tonnes. This is the lowest quarterly amount collected since the PI began in 2014/15.

### **Sport & Leisure (£0k)**

The majority of the sport & leisure budget has transferred to Brimhams Active Ltd. At this stage of the year there are no reported variances in respect of the budget which has remained with the Council (primarily the management fee payable to Brimhams, the income from support services provided to Brimhams and some land & property rental income).

### **Place-Shaping & Economic Growth (+£2,090k)**

The service is forecasting an overspend of £2,090k, an increase of £866k from the quarter 1 report and primarily as a result of anticipated increased utility charges in the Council's Building Management Account. The reasons for significant rises in gas and electricity prices have been well documented in the press, and are understandably leading to budgetary challenges across the country - for householders, businesses and local authorities alike.

Based on the latest information available, the Council is currently forecasting an additional cost of £1,600k on gas (+£600k), of £720k (-£30k) on electricity and of £10k on heating oil (+£10k), with a small saving of £30k on water (-£10k) in 2022/23. The national position with regard to future price increases remains highly volatile. Members should therefore note that these utility variances are presented as an informed forecast at this stage based on the invoices received so far this financial year and they do not reflect the potential impact of the Government's Energy Bill Relief Scheme.

An initial review of this scheme suggests that there *could* be a reduction of up to £600k against the reported gas overspend but we are awaiting further guidance and clarification on the details of the scheme from the Yorkshire Purchasing Organisation, before being able to confidently calculate this impact. The estimates are still subject to potential annual fluctuations in line with energy consumption levels eg if there is a particularly cold winter period, variances may increase further. We have reflected that an estimated £112k of this increase will be met from external recharges in respect of third party use of the Council's district heating and refrigeration system (-£112k). In addition to that, £500k was set aside as part of the 2021/22 year end accounts process to help fund the 2022/23 overspend on utilities and hence reduces the net cost to revenue. Future energy budget forecasts for 2023/24 are likely to remain influenced by external factors as the year progresses.

We are also reflecting significant anticipated shortfalls of £270k in planning application income (+£270k) and of £50k in pre-planning application income (+£50k). This represents a forecast circa 15% reduction in planning application income against budget. This is mainly due to the continued slowdown of large-scale (high value) planning applications and pre applications, as explained in previous reports. However we are now starting to see a slowdown in smaller application types as well, which may well continue as the national cost-of-living crisis starts to impact on household spending. These trends appear to be in line with the national picture, where planning application submissions have dropped by an average of 15% for the year to date.

Aside from this, we are forecasting a £74k shortfall in EDU rental income, primarily due to vacant units taking longer to fill than originally anticipated (+£62k), there will be a £33k salary saving arising from the lower than expected 2021/22 pay award but a cost of £136k in respect of the 2022/23 pay award (+£136k), the service is forecasting salary savings net of associated temporary staff of £110k (-£110k) and there is a £16k rates cost in relation to buildings containing a public convenience (where we will not obtain the full rate relief assumed in budgets). There is a small £1k saving in other items.

Excluding the corporate pay award net cost of £103k, the service is forecasting an overspend of £1,987k.

The PSEG service plan continues to make progress. The Economy & Transport team have completed an action to submit a bid for the second round of the Levelling Up Fund for the Government's decision.

A provisional figure for HBC's carbon footprint for 21/22 has been provided pending data from our fleet and pool cars. It stands at 5,376 tonnes of CO<sub>2</sub> for the year, a small increase on the previous year at 4,562 tonnes of CO<sub>2</sub>. Our carbon footprint for 21/22 is about half of the 10,690 tonnes of CO<sub>2</sub> when we first recorded our carbon footprint in 2012/13

For planning application processing PIs, performance has improved this quarter on the previous one with major applications being better than target by 5% and minor and other applications being slightly off target. The table below reflects the position at Q2:



Type of Application	Q2 Figure	Target
Major	90.9%	85%
Minor	83.5%	85%
Other	90.5%	95%

## Corporate Affairs

### **Safer Communities (+£282k)**

The service is forecasting an overspend of £282k, an increase of £222k from the quarter 1 report. We are forecasting a shortfall in off-street car parking income of £293k (+£215k). It should be noted that for 2022/23 the budget for this income has returned to pre-pandemic levels but based on income for the first six months, actual income will fall short of this. The service continues to work with partners to promote parking facilities alongside sustainable transport objectives and we will continue to monitor the income regularly and update the forecast as the year progresses. This anticipated income shortfall is partly offset by a £13k salary saving arising from the lower than expected 2021/22 pay award but a cost of £72k from the 2022/23 (+£72k) pay award and forecast further salary savings of £68k (-£63k). There is a net variance of -£2k on all else (-£2k).

Excluding the corporate pay award net cost of £59k, the service is forecasting an overspend of £223k.

The Safer Communities service plan is making progress supporting LGR commitments and going through the Environmental Health backlog from Covid.

Most PIs are on target, with the exception of % of Environmental Protection urgent service requests being responded to within 1 working day which is slightly off target its target of 95% at 88%. This has been due to staff cover, of which a new tech support officer will be in post to cover logging of the work.

### **Finance (-£14k)**

The service is forecasting an underspend of £14k, a reduction of £103k from the quarter 1 report. There will be a £29k salary saving arising from the lower than expected 2021/22 pay award, a £152k cost from the 2022/23 pay award (+£152k) and we are forecasting other salary savings of £152k (-£85k). We expect additional Housing Benefit Subsidy administration grant income of £21k, income from the Internal Audit contract with Craven DC will be £6k more than budget (-£6k), there will be £5k additional income from the staffing recharge to Bracewell (-£5k) and there is a £3k forecast saving from Council tax payment adjustments relating to pre-2012/13 (-£3k). Partly offsetting these savings, we are now forecasting a shortfall of £50k in revenues recovery income (+£50k).

Excluding the corporate pay award net cost of £123k, the service is forecasting an underspend of £137k.

The Finance service plan continues to make progress with some items due to be delivered as part of the LGR process. These include implementation of automated webchat which falls under the Customer workstream and a review of Anti-Fraud culture which will be delivered by Veritau.

Performance for key benefit process PIs feature in the Q2 Corporate Performance Report. The number of worktray jobs for Welfare has fallen from 6,671 in Q1 to 3,297 in Q2. This is a typical trend, but the Q2 figure for 21/22 is higher than most Q2s in previous years likely due to the ongoing cost of living crisis. Q2 saw the best performance recorded for the percentage of missed bins reported via self service directly to back office at 70% against a target of 50%.

### **Legal & Governance (-£100k)**

The service is forecasting an underspend of £100k, an increase of £88k from the quarter 1 report. There will be an £11k salary saving arising from the lower than expected 2021/22 pay award but a cost of £46k from the 2022/23 pay award (+£46k) and we are forecasting other salary savings of £144k (-£132k). We are forecasting a shortfall in recovered court and legal costs of £32k (+£20k) but there are expected savings of £10k in Member car allowances (-£10k), £10k in advertising and marketing costs (-£10k) and a saving of £3k in all other items (-£2k).

Excluding the corporate pay award net cost of £35k, the service is forecasting an underspend of £135k

The Legal & Governance service is focussing on consultations around the future governance arrangements for Harrogate town.

Performance indicators for the website continue to perform well in terms of both ranking and availability. There has been a small decline in the number of Local Lotto tickets sold from 22,458 this quarter to 20,218, which is likely due to people looking to reduce their costs as the cost of living crisis worsens. The resource requirement of LGR will have also impacted on the time available to promote it. However, the number of VCS organisations signed up to the Local Lotto has continued to grow.

### **ICT (-£52k)**

The service is reporting a £52k saving, a reduction of £48k from the quarter 1 report. There will be a £9k salary saving arising from the lower than expected 2021/22 pay award but a £36k cost of the 2022/23 pay award (+£36k) and we are forecasting other net salary savings of £105k (-£14k). In addition to this there is a forecast overspend of £26k in other supplies & services due to a contract renewal (+£26k).

Excluding the corporate pay award net cost of £27k, the service is forecasting an underspend of £79k.

The ICT service plan is continuing with a focus on delivering ICT solutions for the new authority. A significant completion has been around providing technology support arrangement for members with recent Windows security updates delivered with Democratic Services. Future support arrangements will be reviewed as part of the new LGR arrangements moving forward.

### **Organisational Development & Improvement (-£146k)**

The service is forecasting an underspend of £146k, an increase of £28k from the quarter 1 report. There will be a £12k salary saving arising from the lower than expected 2021/22 pay award but a cost of £64k from the 2022/23 pay award (+£64k) and we are forecasting other salary savings of £143k (-£47k). We are forecasting a £60k saving on corporate training based on latest spending plans and inclusive of the release of £10k from the reserve (-£60k). The service is forecasting a saving of £30k on the photocopier budget (-£20k) but an overspend of £35k against the corporate postage budget (due to increased prices and some large mailings) (+£35k).

Excluding the corporate pay award net cost of £52k, the service is forecasting an underspend of £198k.

The ODI service plan performance is making progress as the service is mostly focussed on delivering LGR. Actions in the people strategy have been developed and delivered including wellbeing strategy, training programme and EDI training. The Complaints Policy went live on 1<sup>st</sup> October and improvements to the forms process and guidance have been made.

Service PIs are largely on target, with detail on sickness performance included in the Q2 Performance report. The number of people on the HBC leader programme has increased on the previous 6 month period from 14 to 18.

### HCC

#### **Harrogate Convention Centre (+£104k)**

Harrogate Convention Centre is forecasting a net overspend of £104k, a deterioration of £118k from the quarter 1 report. Reasons for this are highlighted in the **exempt Appendix A** and more detailed lettings information is reflected in **exempt Appendix E** to this report.

#### **Destination Marketing Organisation (+£25k)**

The service is forecasting an overspend of £25k, a deterioration of £57k from the quarter 1 report. There will be a £7k salary saving arising from the lower than expected 2021/22 pay award but a cost of £33k due to the 2022/23 pay award (+£33k) and we are forecasting other salary savings of £39k (-£14k). In addition to this we are forecasting income shortfalls of £20k in Place Marketing (+£20k) and of £18k in Visitor Experience & Cultural Services (+£18k). The former relates to advertising sales and miscellaneous income such as campaign contributions and the latter to Mercer picture

sales and to museums income.

Excluding the corporate pay award net cost of £26k, the service is forecasting an underspend of £1k.

The DMO service plan is making good progress. Good progress is being made on the Capital Investment Business Plan for the Pump Room as all money is now allocated and majority of suppliers orders in.

DMO PIs are largely on target with a couple of the newer Twitter pages slightly off their follower target. Twitter is a less popular social media channel for DMO branded offerings.

### Treasury Management, Other Corporate Items and Funding

These budgets include the Council's Treasury Management activities, recharges to non-General Fund services and funding (such as Business Rates). We are currently forecasting an underspend of £160k, an increase of £115k from the quarter 1 report. We are forecasting total increased interest income of £190k as a result of higher than budgeted interest rates and including interest charged to Bracewell Homes (-£165k). In addition to this we expect that the Council Tax annex discount grant will be £20k higher than budget. Partly offsetting the additional income, we are forecasting a £50k overspend on credit card fees (+£50k).

- 5.6 Management Board and Members are reminded that budgets are monitored on a risk weighted basis, which seeks to focus staff resource on volatile budgets in the identification of major variances.
- 5.7 **Appendix F** to this report shows how these variances relate to budgeted savings and increased income. Overall there is a forecast under-delivery of net savings of £443k.

### Housing Revenue Account

- 5.8 The Housing Revenue Account is projecting an underspend of £968k, an increase of £907k from the quarter 1 report. As a result of lower planned maintenance costs and the removal of a contingency, we are now using the Major Repairs Reserve rather than revenue to fund capital expenditure, resulting in a forecast saving of £2,000k (-£1,799k). There is a £26k salary saving arising from the lower than expected 2021/22 pay award but a cost of £167k from the 2022/23 pay award (+£167k), with a further forecast salary net cost of £18k (+£47k). There are forecast overspends of £272k on utilities due to price increases (+£82k), of £235k in relation to housing disrepair settlement claims and compensation re ground source heat pumps (+£235k), of £192k on IHMT expenditure from using contractors due to staff shortages (+£192k) and of £74k on hostel security (guarding and mobile patrols) (+£74k). In addition to this there are projected income shortfalls of £43k from the independent living scheme (+£43k) and of £65k from IHMT non-HRA work (+£65k). All other smaller anticipated variances total a net saving of £8k (-£13k).  
Excluding the pay award net cost of £141k, the HRA is forecasting an

underspend of £1,109k.

### Profit & Loss Accounts

- 5.9 Attached to this report are exempt appendices B, C and D – the latest profit & loss statements (P&Ls) for the Council's key commercial areas of Green Waste, Trade Waste and Plant Nursery.

The focus of these P&Ls is on actual income and expenditure over time as we aim to improve bottom line performance. They therefore compare actual income and expenditure per period to the same period last year, with narrative to explain variances and current activity in the services.

As a result, they differ in nature to the rest of the figures in this report, which compare the latest forecast outturn to the budgeted outturn.

## **6.0 REQUIRED ASSESSMENTS AND IMPLICATIONS**

- 6.1 The following were considered: Financial Implications; Human Resources Implications; Legal Implications; ICT Implications; Strategic Property/Asset Management Considerations; Risk Assessment; Equality and Diversity (the Public Sector Equality Duty and impact upon people with protected characteristics). If applicable, the outcomes of any consultations, assessments, considerations and implications considered necessary during preparation of this report are detailed below.

## **7.0 CONCLUSIONS**

- 7.1 The Council's latest financial position shows that we are forecasting an overspend of £2,503k. It is, however, early in the year and there will inevitably be other variations during the course of the year.

<p><b>OFFICER CONTACT:</b> Please contact the Service Finance Manager if you require any further information on the contents of this report. The officer can be contacted at Civic Centre, St Luke's Avenue, Harrogate, HG1 2AE, by telephone on 01423 500600 ext 58568 or by e-mail at <a href="mailto:gillian.morland@harrogate.gov.uk">gillian.morland@harrogate.gov.uk</a>. Alternatively please contact the Improvement &amp; Development Manager by telephone on ext 56823 or by e-mail at <a href="mailto:sarah.cornforth@harrogate.gov.uk">sarah.cornforth@harrogate.gov.uk</a>.</p>
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