

2. Financial management

Financial management means having sound budgetary processes, and the ability to understand the financial environment and whether internal controls are operating effectively.

Conclusion

The council has appropriate and effective financial management in place with regular budget monitoring reports provided to Council Executive.

The core revenue outturn position is an overspend of £2.9 million against the agreed 2023/24 budget of £575.2 million. The council's planned use of reserves funded the overspend.

The council operated within budget in 2023/24

35. The council approved its 2023/24 budget in February 2023. The budget was set at £575.2 million which included proposed revenue budget saving measures of £12.1 million, however actual approved savings were £8.4 million due to an agreed budget motion. The core revenue outturn position is an overspend of £2.9 million against the agreed 2023/24 budget. The council funded the overspend from the Risk and Inflation reserve which was created as part of the budget setting in February 2023 to manage emerging financial pressures.

36. Overall, the council's spending remained largely in line with budgets with details of main variances in the different service areas are summarised in [Exhibit 3](#).

Exhibit 3

Summary of significant under/overspends against budget

Area	Budget £'000	(Under) / Overspend £'000	Reason for variance
Underspends			
Schools, Education Support	188,431	(433)	Primarily savings from vacancies and cessation of non-essential supplies, partially offset by Early Learning and Childcare pressures.
Planning, Economic Development and Regeneration	5,848	(736)	Over-recovered planning application and pest control income and staff savings.