

Appendix 2

Budget Monitoring & Reporting 2023/2024

Period 04 - July 2023 Revenue Budget Performance



Summary

| Last Reported Variance £M | Portfolio | Revised Budget £M | Forecast Outturn £M | Variance £M |
|---------------------------|--|-------------------|---------------------|---------------|
| 0.000 | Leader: SEND | 15.272 | 16.278 | 1.006 |
| 0.000 | Deputy Leader: Environment | 18.711 | 19.127 | 0.416 |
| 0.000 | Adult Social Care, Health, Public Health, and Constitutional Affairs | 61.025 | 67.423 | 6.398 |
| 0.000 | Arts, Culture, Heritage and Leisure | 4.625 | 4.737 | 0.112 |
| 0.000 | Childrens Services, Education and Learning | 32.176 | 39.231 | 7.055 |
| 0.000 | Community Safety and Public Protection | 1.827 | 2.059 | 0.232 |
| 0.000 | Economic Growth and Investment | 0.803 | 0.928 | 0.125 |
| 0.000 | Highways, Transport and Parking | (0.591) | 0.592 | 1.183 |
| 0.000 | Housing and Planning | 3.733 | 3.651 | (0.082) |
| 0.000 | Regulatory Services | 1.906 | 2.867 | 0.961 |
| 0.000 | | 139.487 | 156.893 | 17.406 |
| 0.000 | Corporate Budgets | 26.971 | 23.605 | (3.366) |
| 0.000 | | 166.458 | 180.498 | 14.040 |
| 0.000 | Contribution to / (from) earmarked reserves | (2.755) | (2.755) | 0.000 |
| 0.000 | Revenue Contribution to Capital | 0.471 | 0.471 | 0.000 |
| 0.000 | Non Service Specific Grants | (19.837) | (19.837) | 0.000 |
| 0.000 | TOTAL | 144.337 | 158.377 | 14.040 |
| 0.000 | Funding (including Collection Fund) | (143.337) | (143.337) | 0.000 |
| 0.000 | Planned contributions from reserves | (1.000) | (1.000) | 0.000 |
| 0.000 | | 0.000 | 14.040 | 14.040 |

Sources of funding



Portfolio services are currently forecast to overspend by £17.406m, the contributing reasons for this pressure are explained in more detail over the following pages.

Positively higher than predicted receipts from investments as interest rates have increased faster and by more than expected account for (£1.465m) of the underspend against Corporate Budgets. This is directly due to the Bank of England's response to try to reduce the rate of inflation.

Provision of £2.950m for CPI % increases on existing contracts and rises in energy costs was provided centrally within Corporate Budgets. Estimated inflationary pressures are being reported within individual services but are being partially offset by the underspend reported within the Corporate Budgets line (£1.950m). The difference of £1.0m reflects the amount already agreed and allocated for specific contracts. This full budget will be allocated to services before the next reporting period.

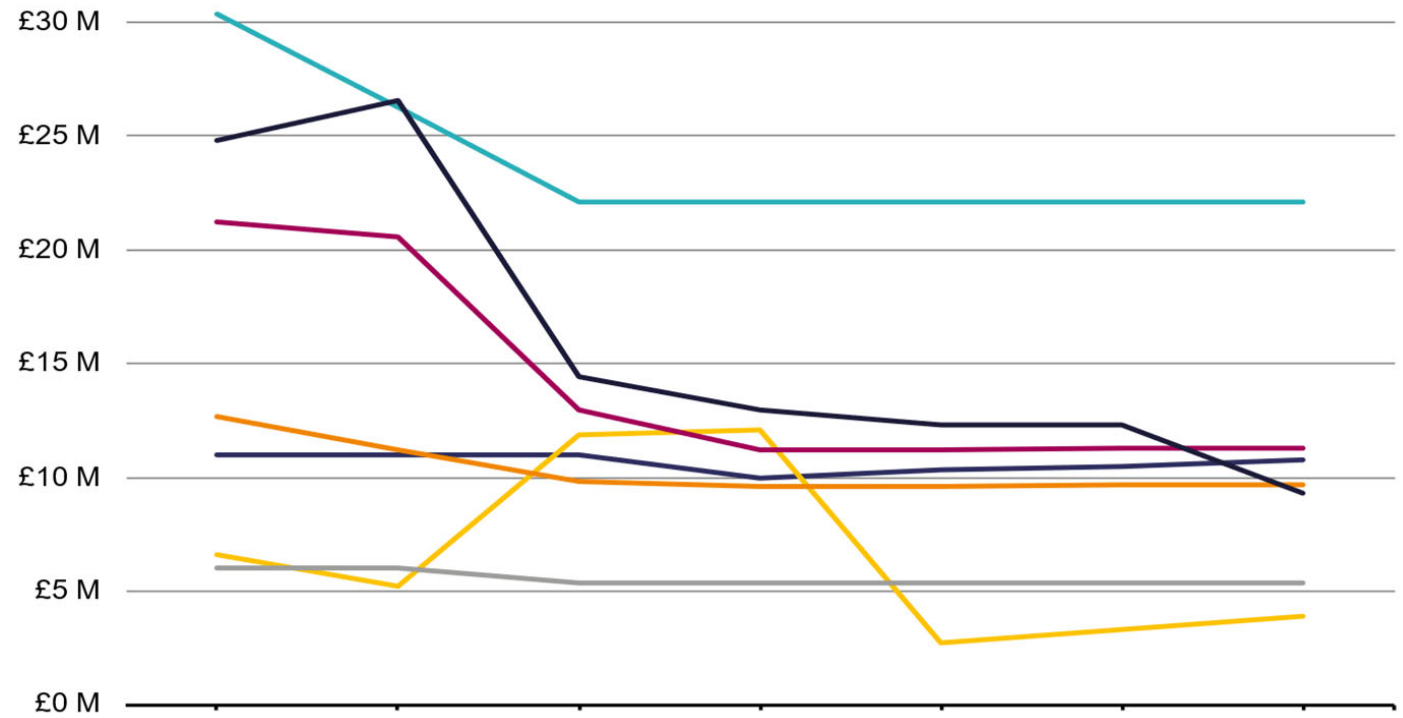
There is a £4.425m provision for the Local Government Pay Award April 2023, which has not been agreed at the time of writing this report. When this cost is known the budget will be allocated to services and the amount shown here will reduce. Any award above an average of 5% will result in an additional pressure for the organisation. This provision is sufficient to cover the current 'final' employers offer but this has currently been rejected by trade unions.

A small overspend of £0.049m on the Coroners Court levy for 2023/24 combined with the underspends mentioned above gives the current net forecast favourable variance on Corporate Budgets of (£3.366m).

Reserves

The Council maintains General Fund reserves between £10M and £12M in line with the Medium Term Financial Strategy. This provides a working cashflow balance and allows a degree of financial security in the case of unexpected events or emergencies.

Earmarked Reserves are set aside to fund future projects and to mitigate specific risk. The level of these reserves will fluctuate as grants are received, risk is realised or effectively managed and planned projects are progressed/delivered.

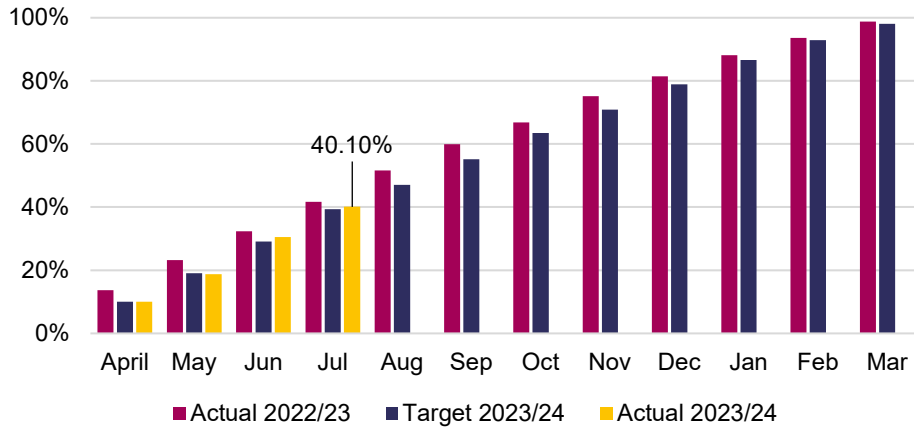


| Reserves in £M | 2021-22 | 2022-23 | 2023-24 | 2024-25 | 2025-26 | 2026-27 | 2027-28 |
|---------------------|--------------|--------------|-------------|-------------|-------------|-------------|-------------|
| General Reserves | 11.0 | 11.0 | 11.0 | 10.0 | 10.3 | 10.5 | 10.8 |
| Capital Reserves | 6.6 | 5.2 | 11.9 | 12.1 | 2.7 | 3.3 | 3.9 |
| Corporate Reserves | 21.2 | 20.6 | 13.0 | 11.2 | 11.2 | 11.3 | 11.3 |
| Grant Reserves | 30.4 | 26.3 | 22.1 | 22.1 | 22.1 | 22.1 | 22.1 |
| Insurance Reserves | 6.0 | 6.0 | 5.4 | 5.4 | 5.4 | 5.4 | 5.4 |
| Service Reserves | 12.7 | 11.2 | 9.8 | 9.6 | 9.6 | 9.7 | 9.7 |
| Technical Reserves* | 24.8 | 26.6 | 14.4 | 13.0 | 12.3 | 12.3 | 9.3 |
| | 112.7 | 106.9 | 87.6 | 83.4 | 73.6 | 74.6 | 72.5 |

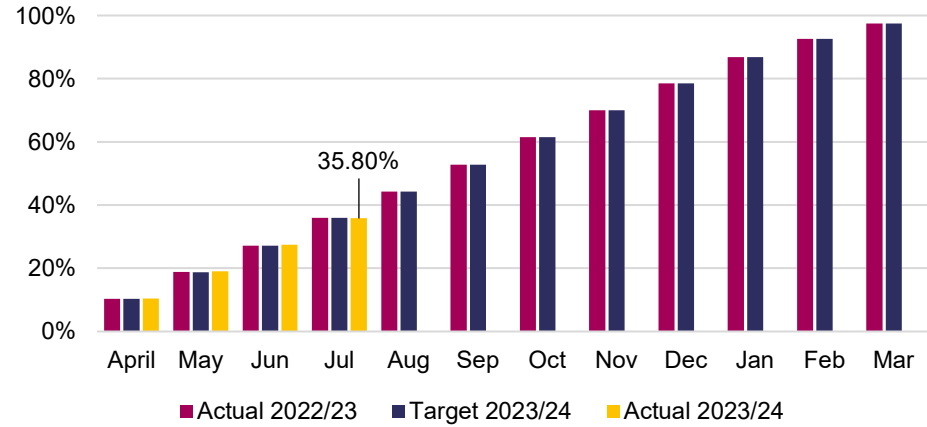
* Technical Reserves are held to even out the Council's finances and reduce in year volatility

Collection Rates

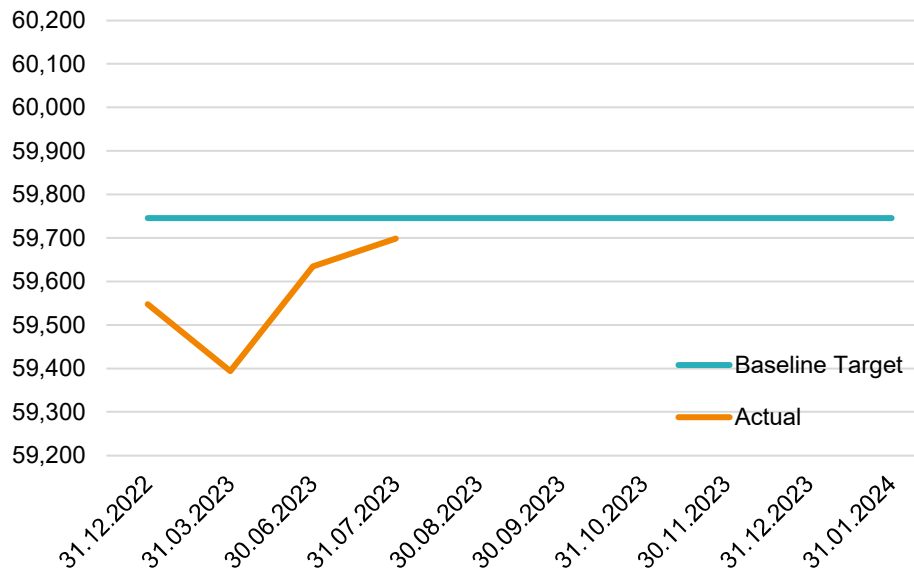
Council Tax Collection



Business Rates Collection



Council Tax Base



The Council Tax Base reflects a slight decrease in comparison to the base setting figure, with a reduction of 46 Band D equivalent properties. This is primarily due to the difference in single person discounts, with an increase of 591 discounts in comparison to the base setting position. Ongoing eligibility reviews of discounts have prevented the previous growth trend. Work continues to be implemented to ensure the eligibility and appropriateness of all discounts applied.

Council Tax collection is 0.1% (£135k) lower than the current year target for the period. This does not represent a significant risk of reduced non-collection at this stage.

Business rates in year collection is 0.8% (£325k) above target for the financial year representing a positive start to the year, with confidence that the year-end collection target can be achieved.

Leader: Corporate Matters and Performance Delivery

10.33%

of Total Gross Revenue
Service Budget

£1.0M

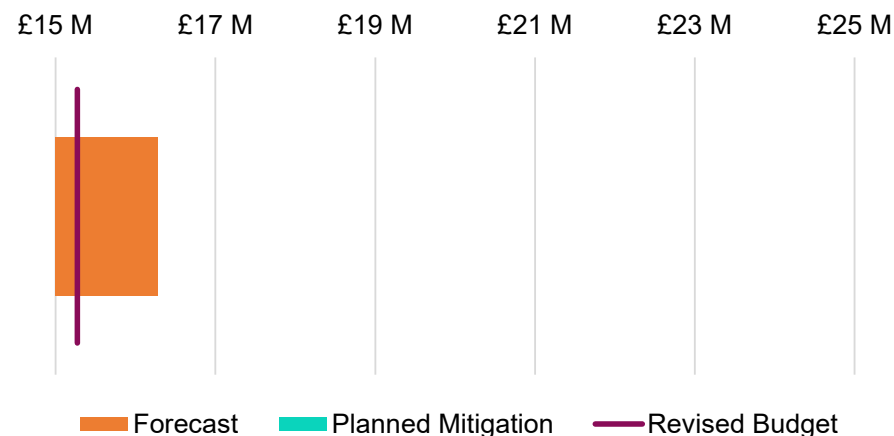
Forecast Adverse Variance

6.59%

Variance as % of Net Portfolio
Service Budget Envelope

| Last Reported Variance £M | Service Area | Revised Budget £M | Forecast Outturn £M | Variance £M |
|------------------------------|--|-------------------------|---------------------------|----------------|
| 0.000 | Children with a special educational need and disability (SEND) | 2.443 | 2.937 | 0.494 |
| 0.000 | Home to School Transport Contract | 2.611 | 2.611 | 0.000 |
| 0.000 | Passenger Transport / Vehicle Fleet | 0.114 | 0.209 | 0.095 |
| 0.000 | Audit | 0.766 | 0.525 | (0.241) |
| 0.000 | Civic Affairs | 0.993 | 1.063 | 0.070 |
| 0.000 | Corporate Budget and Resources Planning | 0.858 | 0.809 | (0.049) |
| 0.000 | Corporate Planning and Strategic Directio | 1.562 | 1.645 | 0.083 |
| 0.000 | Council Tax and Business Rates | 0.176 | 0.231 | 0.055 |
| 0.000 | Human Resources | 1.677 | 2.009 | 0.332 |
| 0.000 | Learning and Workforce Development | 0.824 | 0.743 | (0.081) |
| 0.000 | Performance Delivery | 1.467 | 1.426 | (0.041) |
| 0.000 | Transformation | 0.167 | 0.167 | 0.000 |
| 0.000 | Emergency Planning and Business Continuity | 0.252 | 0.252 | 0.000 |
| 0.000 | Legal Services & Land Charges | 1.362 | 1.651 | 0.289 |
| 0.000 | | 15.272 | 16.278 | 1.006 |

| Last Reported Variance £M | Service Area | Revised Budget £M | Forecast Outturn £M | Variance £M |
|------------------------------|-------------------|-------------------------|---------------------------|----------------|
| 0.000 | Gross Expenditure | 36.248 | 37.160 | 0.912 |
| 0.000 | Gross Income | (20.976) | (20.882) | 0.094 |
| 0.000 | | 15.272 | 16.278 | 1.006 |



The main cause of the Children with a special need and disability (SEND) pressure is the support packages for Children With Disabilities (CWD) to provide day and club activities and respite breaks, and in certain cases, for additional support costs to support a child with disabilities at their home under section 17 (child in need). Smaller value pressures have also been experienced for the required applicable cover of Educational Health and Care Plan Co-ordinators when on maternity leave within the SEND team.

The internal audit team currently has five full time vacancies which is resulting in a significant underspend, only partly offset by additional spend on external agencies.

There is significant pressure on the Human Resources budget caused by a variety of factors, the most notable are; £147,000 of savings not expected to be achieved due to additional demand and unavoidable delays in system developments, a £70,000 estimated shortfall against the Service's income target and a £55,000 pressure on staffing budgets caused by agency covering vacant positions, market supplements etc.

Legal Services have a substantial pressure of £120,000 caused by agency staff covering vacant establishment roles. The lack of permanent staff has impacted on the ability to generate income and a £60,000 shortfall is currently expected.

Income from Local Land Charges has been adversely affected by the slow down in the housing market and the cost of living crisis. The £100,000 shortfall expected is only partially offset by an underspend on staffing (£31,000).

Deputy Leader: Environment

5.74%

of Total Gross Revenue
Service Budget

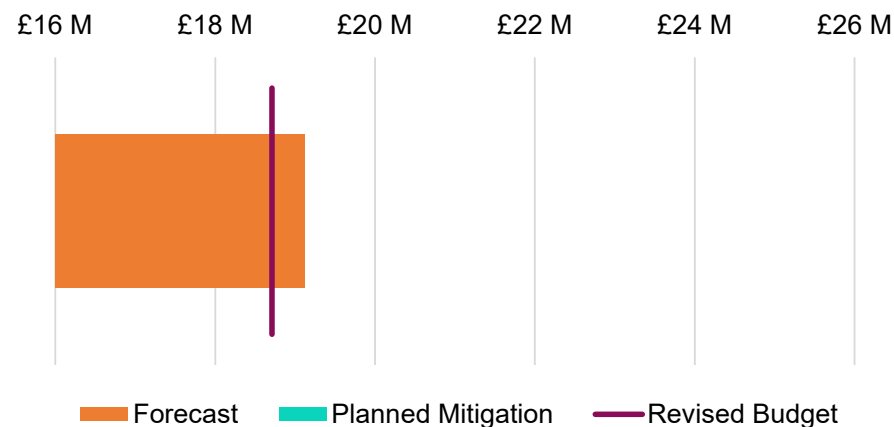
£0.4M

Forecast Adverse Variance

2.22%

Variance as % of Net Portfolio Service
Budget Envelope

| Last Reported Variance £M | Service Area | Revised Budget £M | Forecast Outturn £M | Variance £M |
|------------------------------|---|-------------------------|---------------------------|----------------|
| 0.000 | All matters relating to trees, plants, grass verges and other flora | 0.559 | 0.537 | (0.022) |
| 0.000 | Cleansing of highways and public realm | 1.595 | 1.656 | 0.061 |
| 0.000 | Climate Change, Renewable Energy and Energy Saving | 0.088 | 0.070 | (0.018) |
| 0.000 | Parks and Open Spaces, Grounds Maintenance | 4.848 | 4.826 | (0.022) |
| 0.000 | Waste collection, disposal, management, recycling & sanitation | 11.621 | 12.038 | 0.417 |
| 0.000 | | 18.711 | 19.127 | 0.416 |
| 0.000 | Gross Expenditure | 20.135 | 20.347 | 0.212 |
| 0.000 | Gross Income | (1.424) | (1.220) | 0.204 |
| 0.000 | | 18.711 | 19.127 | 0.416 |



The cost of waste disposal continues to be the largest driver of financial pressure within this portfolio area. Although tonnages have reduced by 3% on a year on year basis, the volume of residual waste continues to be higher than the budget position can sustain. Tonnages are starting to return to levels similar to that seen pre-covid and the recent waste disposal procurement has seen the costs of disposal and haulage reduce as well as improving the environmental impact of its disposal.

Adult Social Care, Health, Public Health, and Constitutional Affairs

29.38%

of Total Gross Revenue
Service Budget

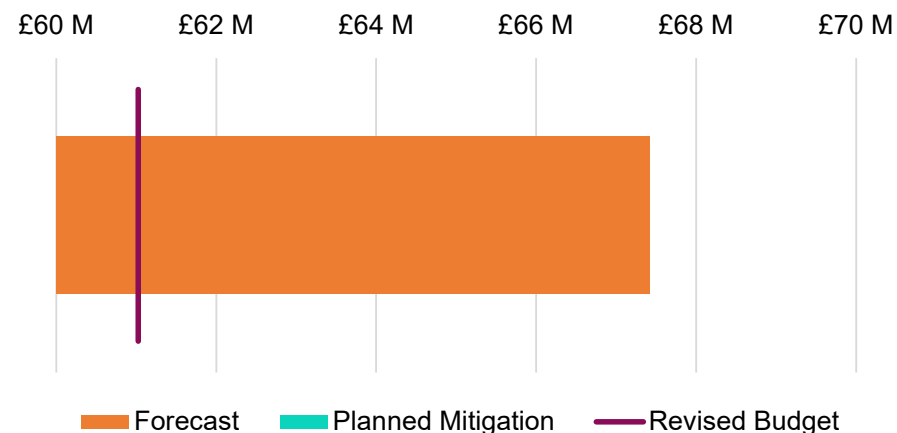
£6.40M

Forecast Adverse Variance

10.48%

Variance as % of Net Portfolio Service
Budget Envelope

| Last Reported Variance £M | Service Area | Revised Budget £M | Forecast Outturn £M | Variance £M |
|------------------------------|--|-------------------------|---------------------------|----------------|
| 0.000 | Adult Social Care | 41.106 | 46.709 | 5.603 |
| 0.000 | Commissioning | 3.970 | 3.520 | (0.450) |
| 0.000 | Community Cohesion and community assets | 0.016 | 0.031 | 0.015 |
| 0.000 | Customer Contact | 4.810 | 4.948 | 0.138 |
| 0.000 | Digital and Technology | 4.137 | 4.847 | 0.710 |
| 0.000 | Domestic Abuse (Social Aspects) | 0.064 | 0.064 | 0.000 |
| 0.000 | Mental Health Services | 4.993 | 5.323 | 0.330 |
| 0.000 | Public Health | 0.015 | 0.015 | 0.000 |
| 0.000 | Democratic Services | 0.776 | 0.828 | 0.052 |
| 0.000 | Transformation | 1.138 | 1.138 | 0.000 |
| 0.000 | | 61.025 | 67.423 | 6.398 |
| 0.000 | Gross Expenditure | 103.088 | 109.235 | 6.147 |
| 0.000 | Gross Income | (42.063) | (41.812) | 0.251 |
| 0.000 | | 61.025 | 67.423 | 6.398 |



Care packages are forecast to overspend, with transitions from late in 2022/23 causing a continued budget pressure. Residential placements are increasing significantly in price, whilst volumes have only marginally increased. At the same time, the demand for home care has increased, with the trend from the last quarter of 2022/23 increasing across both Older People and Physical and Sensory Impairment.

Commissioning is reporting an underspend of £450,000 primarily against Transitional Supported Housing budgets, this is an early delivery of the planned 2024/25 saving as the contracts were revised ahead of schedule.

There is a capitalisation of officer time within Digital and Technology which is not achievable in 2023/24 within the current capital programme, when combined with an unfunded supernumerary role and unmet vacancy factor target there is an overall forecast staffing pressure of £305,000. The rest of this Service pressure is due to difficulties in securing around £400,000 of external income in 2023/24. There have been early discussions with transformation partners EY that suggest income could be generated over the medium-term which means this may not be such a large pressure in future years.

With the transition of the Mental Health Service back to the Council from Essex Partnership University Trust (EPUT), there is a £288,000 forecast over spend on the staff/contract budget as the saving will not be fully delivered until the service fully transitions and consideration needs to be given to increases in demand.

Arts, Culture, Heritage and Leisure

2.04%

of Total Gross Revenue
Service Budget

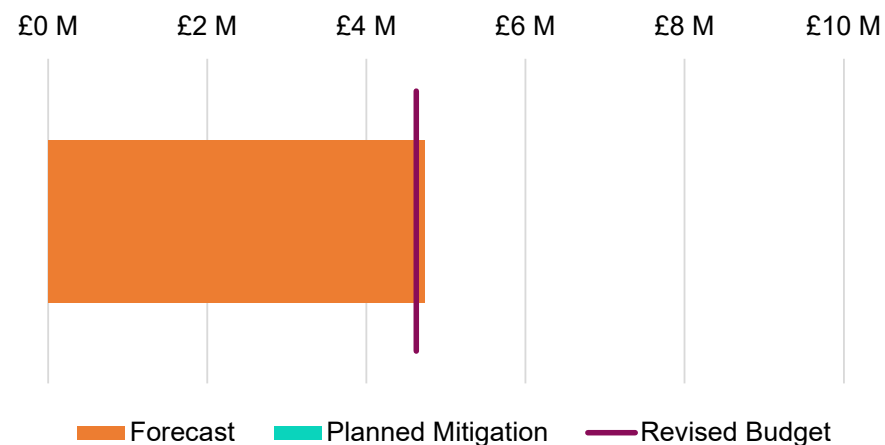
£0.1M

Forecast Adverse Variance

2.42%

Variance as % of Net Portfolio Service
Budget Envelope

| Last Reported Variance £M | Service Area | Revised Budget £M | Forecast Outturn £M | Variance £M |
|------------------------------|--|-------------------------|---------------------------|----------------|
| 0.000 | Museums and Galleries, Theatres and Libraries | 4.460 | 4.381 | (0.079) |
| 0.000 | Pier and Foreshore | 0.292 | 0.479 | 0.187 |
| 0.000 | Sport Development | (0.127) | (0.123) | 0.004 |
| 0.000 | | 4.625 | 4.737 | 0.112 |
| 0.000 | Gross Expenditure | 7.144 | 7.229 | 0.085 |
| 0.000 | Gross Income | (2.519) | (2.492) | 0.027 |
| 0.000 | | 4.625 | 4.737 | 0.112 |



Summer visitor numbers to the Pier have remained strong, with income from admission to the Pier tracking slightly above the budget target to date. A £39,000 over achievement of the budget is reported, with the savings built into the 2023/24 around the uplift in admission charges and the visitor numbers being delivered. To ensure that there are sufficient staff to support this number of visitors and to mitigate complaints regarding waiting times, the Pier utilises seasonal workers, these are currently forecast to exceed the expenditure budget set by £200,000. The level of staffing needed to maintain the visitor numbers is being reviewed and no further staff will be appointed as the peak season ends. Some premises related budgets are forecast to overspend, including water testing, waste collection and cleaning.

Childrens Services, Education and Learning

24.45%

of Total Gross Revenue
Service Budget

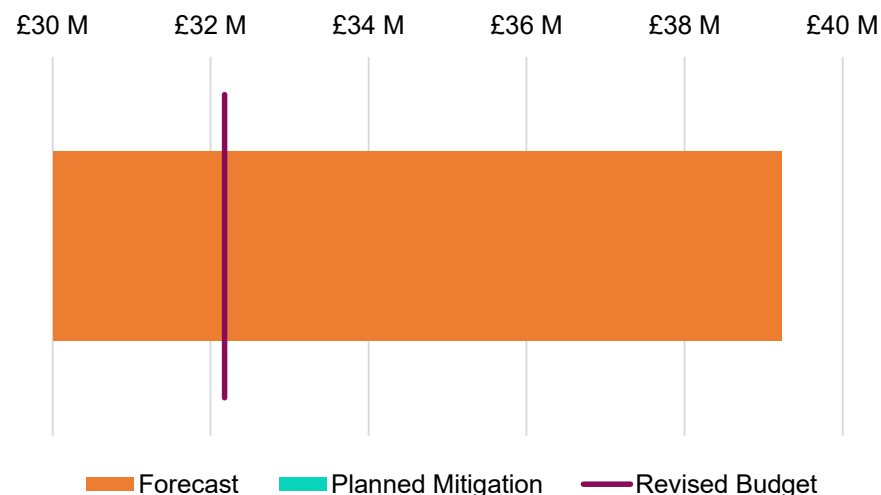
£7.1M

Forecast Adverse Variance

21.93%

Variance as % of Net Portfolio Service
Budget Envelope

| Last Reported Variance £M | Service Area | Revised Budget £M | Forecast Outturn £M | Variance £M |
|------------------------------|---|-------------------------|---------------------------|----------------|
| 0.000 | Adult and Community Learning | 0.062 | 0.062 | 0.000 |
| 0.000 | Children's Safeguarding | 0.068 | 0.068 | 0.000 |
| 0.000 | Children's Services | 27.571 | 34.855 | 7.284 |
| 0.000 | Family Centre, Early Years and Childcare | 1.144 | 1.104 | (0.040) |
| 0.000 | Schools, Education and Learning | 1.057 | 0.987 | (0.070) |
| 0.000 | Youth and Connexions | 0.752 | 0.747 | (0.005) |
| 0.000 | Youth Justice Service | 1.522 | 1.408 | (0.114) |
| 0.000 | | 32.176 | 39.231 | 7.055 |
| 0.000 | Gross Expenditure | 85.795 | 93.287 | 7.492 |
| 0.000 | Gross Income | (53.619) | (54.056) | (0.437) |
| 0.000 | | 32.176 | 39.231 | 7.055 |



The significant spend pressure trend continues from 2022/23 into 2023/24. For Children in Care, Residential Care placement costs continue to rise as an average and particularly for those cases that are most complex. The independent market is stretched and short of supply which is contributing to some very high placement prices. The increased reliance on external foster care placements during 2022/23 has now translated into a full year cost impact into 2023/24. The intention remains targeted to reduce reliance on external foster care placements by building and sustaining capacity within our own inhouse fostering service promoted by the new and improved inhouse foster care offer from April 2023. The cost of external care placements continues to be the main cause of this significant overspend pressure. A trend that is unfortunately represented across many areas of the country.

Other financial pressures within Children Services for 2023/24 have remained and includes continued reliance on temporary agency staff to cover critical social work and certain social work management posts. Financial pressures have also increased under the national transfer scheme for Unaccompanied Asylum seekers where those children have now turned 18 and remain supported in accommodation whilst their asylum application is considered. The home office grant to support their costs reduces once the child turns 18. Smaller but further pressures also remain for care experienced children who are in supported in accommodation until they are fully and safely transitioned into Adult hood.

Whilst the safety and wellbeing of Children remain the paramount importance the Council continues to explore opportunities to reduce costs where safe and possible, but it also has to be highlighted that residential care placements are already a significant high cost so any new placements or further increases in existing placement costs will have a further negative financial impact on the Service's position.

Community Safety and Public Protection

1.20%

of Total Gross Revenue
Service Budget

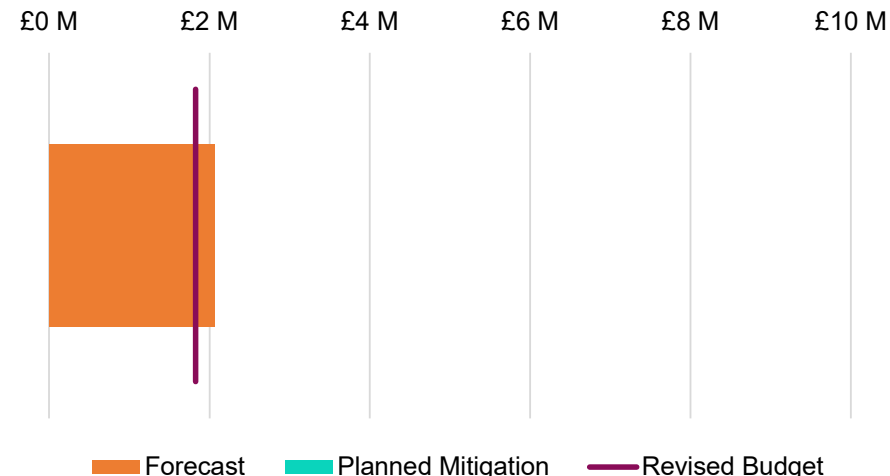
£0.2M

Forecast Adverse Variance

12.64%

Variance as % of Net Portfolio Service
Budget Envelope

| Last Reported Variance £M | Service Area | Revised Budget £M | Forecast Outturn £M | Variance £M |
|------------------------------|---------------------------|-------------------------|---------------------------|----------------|
| 0.000 | Closed Circuit Television | 0.491 | 0.574 | 0.083 |
| 0.000 | Community Safety | 0.835 | 0.832 | (0.003) |
| 0.000 | Drugs and Alcohol Service | 0.000 | 0.001 | 0.001 |
| 0.000 | Public Toilets | 0.382 | 0.532 | 0.150 |
| 0.000 | Town Centre Management | 0.120 | 0.120 | 0.000 |
| 0.000 | | 1.828 | 2.059 | 0.231 |
| 0.000 | Gross Expenditure | 4.223 | 4.265 | 0.042 |
| 0.000 | Gross Income | (2.395) | (2.206) | 0.189 |
| 0.000 | | 1.828 | 2.059 | 0.231 |



The original £150k saving target related to a review of the public toilet offer is not being progressed which leaves this service area unable to be delivered within its approved budget for 2023/24. An alternative saving is yet to be identified but if one is developed and viable then this pressure could be mitigated.

The CCTV service is delivered by a stable group of staff and as such staff turnover is very low. This is contributing to a budget pressure on staffing costs and although there is still the desire to deliver some services commercially - no formal contracts have yet been signed to bring in any additional income. The market is still being explored.

Economic Growth and Investment

0.29%

of Total Gross Revenue
Service Budget

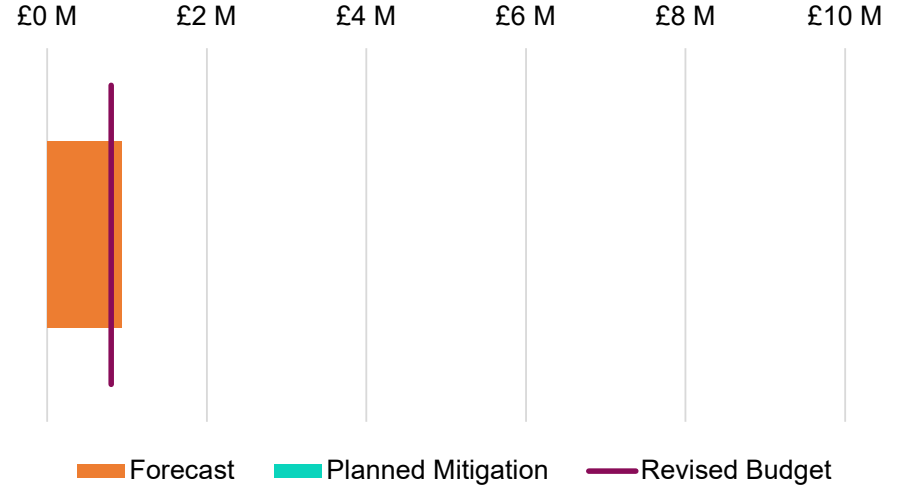
£0.1M

Forecast Adverse Variance

15.69%

Variance as % of Net Portfolio Service
Budget Envelope

| Last Reported Variance £M | Service Area | Revised Budget £M | Forecast Outturn £M | Variance £M |
|------------------------------|------------------------------------|-------------------------|---------------------------|----------------|
| 0.000 | Marketing (Place Branding/Tourism) | 0.379 | 0.563 | 0.184 |
| 0.000 | Regeneration and business growth | 0.424 | 0.366 | (0.058) |
| 0.000 | | 0.803 | 0.929 | 0.126 |
| 0.000 | Gross Expenditure | 1.026 | 1.152 | 0.126 |
| 0.000 | Gross Income | (0.223) | (0.223) | 0.000 |
| 0.000 | | 0.803 | 0.929 | 0.126 |



Additional special Events across the City are forecasting to overspend by £143,000, including the Herd in the City Sponsorship (£23,000) and the Tour of Britain Cycling Event (£120,000). Additionally acting up arrangements have been put in place where an officer in the marketing team is assisting in covering a vacancy in the Foreshore team.

Highways, Transport and Parking

3.40%

of Total Gross Revenue
Service Budget

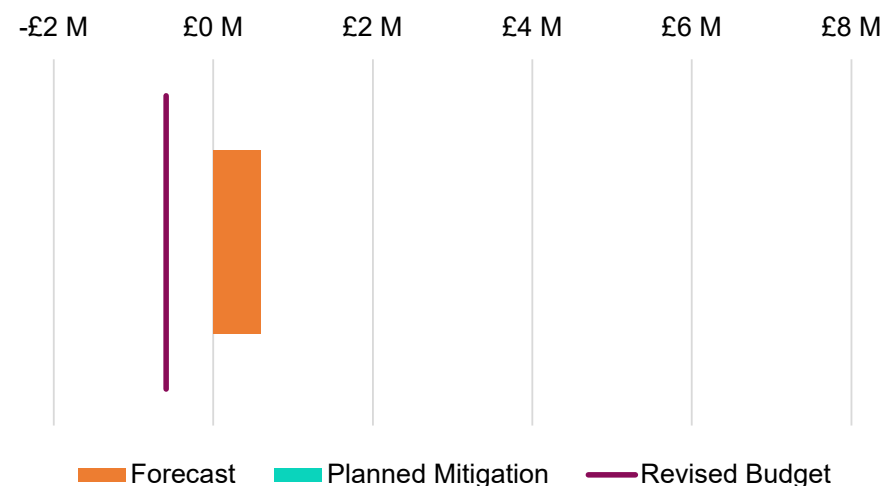
£1.2M

Forecast Adverse Variance

200.17%

Variance as % of Net Portfolio Service
Budget Envelope

| Last Reported Variance £M | Service Area | Revised Budget £M | Forecast Outturn £M | Variance £M |
|------------------------------|---|-------------------------|---------------------------|----------------|
| 0.000 | Car parks and all car parking matters | (8.789) | (8.053) | 0.736 |
| 0.000 | Concessionary Fares | 2.840 | 2.540 | (0.300) |
| 0.000 | Engineering (Bridges and Structures) | 0.051 | 0.051 | 0.000 |
| 0.000 | Highways (including maintenance) | 4.233 | 4.894 | 0.661 |
| 0.000 | Highways and Transport | (0.303) | (0.355) | (0.052) |
| 0.000 | Public Transport | 0.139 | 0.282 | 0.143 |
| 0.000 | Transport (including Transport Policy and Licensing) | 1.238 | 1.233 | (0.005) |
| 0.000 | | (0.591) | 0.592 | 1.183 |
| 0.000 | Gross Expenditure | 11.944 | 13.911 | 1.967 |
| 0.000 | Gross Income | (12.535) | (13.319) | (0.784) |
| 0.000 | | (0.591) | 0.592 | 1.183 |



The parking enforcement contract is currently overspending significantly due to the volume of variable works undertaken by the contractor and changes made as part of the short term extension whilst a new contract is procured. The main spend pressures are due to an increase in the number of Civil Enforcement Officers and the national wage increases they have received in order to match the market expectations for these roles.

Car parking income to the end of July is in line with the assumed budget profile but expenditure pressures in relation to transaction fees, bank charges and security at University Square car park are continuing in 2023/24.

Concessionary fares payments are linked directly to actual usage on local buses. Due to the reduction in journeys post-pandemic our financial contribution has continued to reduce. This will continue to be monitored.

The utility inflationary increase in relation to street lighting is shown on the Highways (including maintenance) line, however the inflation contingency will be utilised to fund this known pressure which was estimated as part of the 2023/24 budget development. Other spend pressures in this area include the repair costs associated with damaged street lighting columns and a shortfall in the amount of eligible staff time which can be charged to delivering the approved capital programme.

The public transport service is forecast to overspend due to spend pressures on the bus shelter maintenance contract and the costs in relation to the travel centre. Works are currently underway to mitigate some of this during 2023/24.

Housing and Planning

19.78%

of Total Gross Revenue
Service Budget

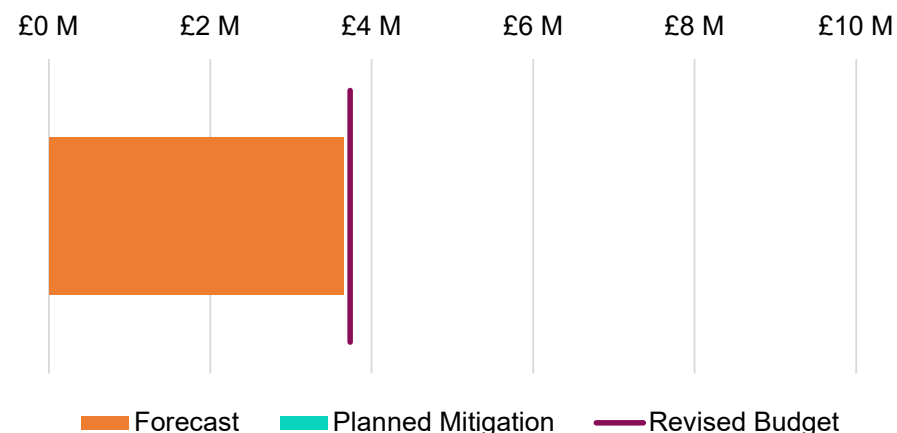
(£0.08M)

Forecast Favourable
Variance

-2.20%

Variance as % of Net Portfolio Service
Budget Envelope

| Last Reported Variance £M | Service Area | Revised Budget £M | Forecast Outturn £M | Variance £M |
|------------------------------|---|-------------------------|---------------------------|----------------|
| 0.000 | Homelessness and Rough Sleeping | 0.365 | 0.335 | (0.030) |
| 0.000 | Housing Benefit | 1.643 | 1.484 | (0.159) |
| 0.000 | Housing Management | 0.082 | 0.082 | 0.000 |
| 0.000 | Housing Strategy | 0.360 | 0.381 | 0.021 |
| 0.000 | Planning Policy and Planning Control, Building Control | 0.297 | 0.365 | 0.068 |
| 0.000 | Private sector housing standards and grants | 0.585 | 0.573 | (0.012) |
| 0.000 | Queensway Development | 0.000 | 0.000 | 0.000 |
| 0.000 | Sea and Foreshore Defences | 0.401 | 0.431 | 0.030 |
| 0.000 | | 3.733 | 3.651 | (0.082) |
| 0.000 | Gross Expenditure | 69.406 | 69.465 | 0.059 |
| 0.000 | Gross Income | (65.673) | (65.814) | (0.141) |
| 0.000 | | 3.733 | 3.651 | (0.082) |



There are multiple planned vacancies in the Benefits Administration and Essential Living Fund teams, both sitting in the Housing Benefits service, which are being held by management where possible whilst continuing to maintain an acceptable level of service, despite increases in demand.

The Building Control service exceeded their income budget last year due to some significant works coming into the team in early 2022/23. However, since September 2022 income has been down year on year. As this is a commercial service there is a risk that if the Authority cannot deliver the service on reasonable commercial terms the work will go to competitors in the market. A review is being undertaken on options to maintain/enhance our market share.

Regulatory Services

3.39%

of Total Gross Revenue
Service Budget

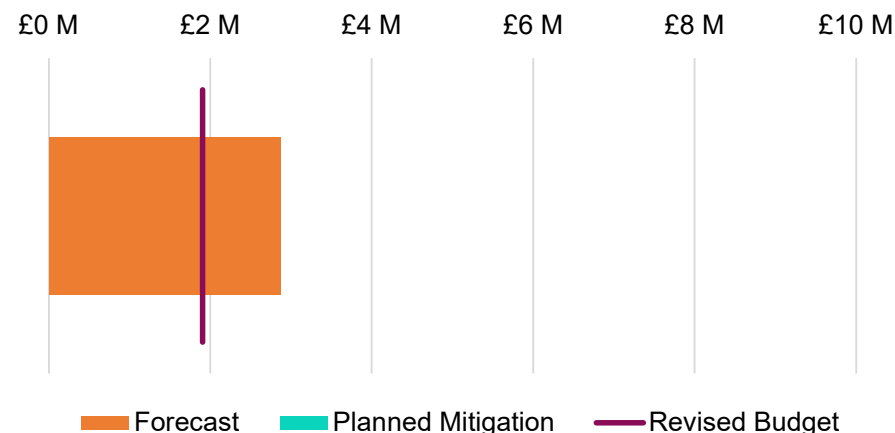
£0.96M

Forecast Adverse Variance

50.42%

Variance as % of Net Portfolio Service
Budget Envelope

| Last Reported Variance £M | Service Area | Revised Budget £M | Forecast Outturn £M | Variance £M |
|------------------------------|---|-------------------------|---------------------------|----------------|
| 0.000 | Asset Management | 0.618 | 0.379 | (0.239) |
| 0.000 | Cemeteries, Crematoria and Bereavement | (1.759) | (0.769) | 0.990 |
| 0.000 | Corporate Procurement | 0.940 | 0.940 | 0.000 |
| 0.000 | Financial Services (including Insurance etc.) | 2.704 | 2.530 | (0.174) |
| 0.000 | Property and Commercial | (1.625) | (1.243) | 0.382 |
| 0.000 | Registration Services | (0.145) | (0.114) | 0.031 |
| 0.000 | Regulatory services | 1.173 | 1.144 | (0.029) |
| 0.000 | | 1.906 | 2.867 | 0.961 |
| 0.000 | Gross Expenditure | 11.900 | 12.932 | 1.032 |
| 0.000 | Gross Income | (9.994) | (10.065) | (0.071) |
| 0.000 | | 1.906 | 2.867 | 0.961 |



Asset Management have a reduced staffing complement due to acting up arrangements across the team operating without backfill. There is a knock-on impact of reduced levels of staff time being capitalised against the budget but the net impact is still a substantial underspend.

The refurbishment of the crematorium is underway and due for completion in March 2024 bringing with it greater efficiency, ensuring that the crematorium can function into the future and improving the environmental impact of the service. During the works and to minimise disruption services have been restricted to Tuesday - Thursday so that 4 days a week are available to deliver the scheme. Reducing the operating hours of the crematorium is resulting in a significant reduction in income over this 12 month period with current estimates forecasting a shortfall of £880k. This income reduction is expected to be temporary and when the crematorium is fully operational again it is expected that income levels will return.

There are five vacancies which are currently being held across Financial Services which is creating an underspend.

The Council is responsible for service charges for vacant lots at the Airport Business Park, based on current occupancy levels this will be a cost of £100,000 for the year, occupied lots are generating income above budgeted levels offsetting this cost by an expected £66,000.

Within Property and Commercial there is a net £140,000 pressure coming from lower levels of staff time being capitalised than budgeted for. This is consistent with the previous years performance and is exacerbated by staff vacancies and long-term sickness.

Whilst Delaware House is sold the site needs to be kept secure, this is forecast to cost around £80,000 for six months and is a one-off budget pressure.

A forecast energy pressure of £60,000 across multiple sites is being reported here however the inflation contingency will be utilised to fund this known pressure which was estimated as part of the 2023/24 budget setting.

Housing Revenue Account

£0.0M

Forecast Neutral Position

0.0%

Variance as % of Gross Operating Expenditure

| Last Reported Variance £M | Service Area | Revised Budget £M | Forecast Outturn £M | Variance £M |
|------------------------------|---|-------------------------|---------------------------|----------------|
| 0.000 | Gross Expenditure | 28.449 | 28.449 | 0.000 |
| 0.000 | Gross Income | (32.556) | (32.556) | 0.000 |
| 0.000 | NET OPERATING EXPENDITURE | (4.107) | (4.107) | 0.000 |
| 0.000 | Revenue Contribution to Capital | 7.384 | 7.384 | 0.000 |
| 0.000 | Contribution to / (from) Earmarked Reserves | (3.277) | (3.277) | 0.000 |
| 0.000 | TOTAL | 0.000 | 0.000 | 0.000 |

| HRA Reserves 2023/24 | Opening Balance | Forecast Movement | Closing Balance |
|----------------------------------|--------------------|----------------------|--------------------|
| Capital Investment Reserve | 29.6 | (3.3) | 26.2 |
| Major Repairs Reserve | 9.3 | 0.1 | 9.4 |
| Repairs Contract Pension Reserve | 0.7 | 0.0 | 0.7 |
| HRA Reserve | 3.5 | 0.0 | 3.5 |
| HRA Reserves Total | 43.1 | (3.3) | 39.8 |

Trading conditions remain difficult in light of inflation pressures and the cost of living crisis. Significant work is being concentrated on the repairs and maintenance contract to ensure that works are undertaken in a timely and efficient manner.

As per a report to Cabinet in July 2023 the rates for utility costs are lower than anticipated and any costs which are funded through service charges will be recalculated to pass this benefit on to tenants from 4th September onwards.

Rental income collection remains on track but this will be reviewed closely and all support available to tenants will be offered where applicable.