

Appendix 2

Budget Monitoring & Reporting 2023/2024

Period 06 - September 2023 Revenue Budget Performance



Summary

Last Reported Variance £M	Portfolio	Revised Budget £M	Forecast Outturn £M	Variance £M
0.612	Leader: SEND	17.117	17.897	0.780
0.416	Deputy Leader: Environment	20.412	20.877	0.465
6.398	Adult Social Care, Health, Public Health, and Constitutional Affairs	61.477	66.832	5.355
0.112	Arts, Culture, Heritage and Leisure	4.889	4.969	0.080
7.449	Childrens Services, Education and Learning	33.491	40.650	7.159
0.232	Community Safety and Public Protection	1.873	2.141	0.268
0.125	Economic Growth and Investment	0.934	0.915	(0.019)
1.183	Highways, Transport and Parking	0.066	0.715	0.649
(0.082)	Housing and Planning	4.063	3.764	(0.299)
0.961	Regulatory Services	1.972	2.284	0.312
17.406		146.294	161.044	14.750
(3.366)	Corporate Budgets	24.555	21.372	(3.183)
14.040		170.849	182.416	11.567
0.000	Contribution to / (from) earmarked reserves	(7.146)	(7.146)	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
14.040	TOTAL	144.337	155.904	11.567
0.000	Funding (including Collection Fund)	(143.337)	(144.137)	(0.800)
0.000	Planned contributions from reserves	(1.000)	(1.000)	0.000
14.040		0.000	10.767	10.767

Sources of funding



Portfolio services are forecast to overspend by **£14.750m**, an improvement of **£2.656m** on the position reported at period 4. An analysis of these variances are explained in more detail over the following pages. The net overall forecast overspend has reduced to **£10.767m**, an overall improvement of **£3.273m** on the position reported at period 4.

The VOA confirmed that, for its 2023 revaluation, it has changed the methodology it uses to calculate business rates for the majority of museums. The rateable value is now calculated by receipts and expenditure, which considers whether the property makes a net surplus, rather than the contractor's method, which assesses the cost of rebuilding the existing museum or gallery. The updated rateable values took effect from 1 April 2023 but there was also the opportunity to appeal the rateable value of the affected buildings since the 2017 revaluation. The rebate is yet to be received but the estimated one-off benefit of £400,000 is included in this forecast and shown in the Corporate Budgets line.

£2.026m of the provision of £2.950m for CPI % increases on existing contracts and rises in energy costs has been allocated to services. The remaining budget of £0.924m is being reported as an underspend and will be allocated to services if required.

There is £4.425m provision for the Local Government Pay Award April 2023, which has not been agreed at the time of writing. 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 on the organisation. The trade unions have confirmed that they will reconvene after the GMB ballot closes on 24th October 2023.

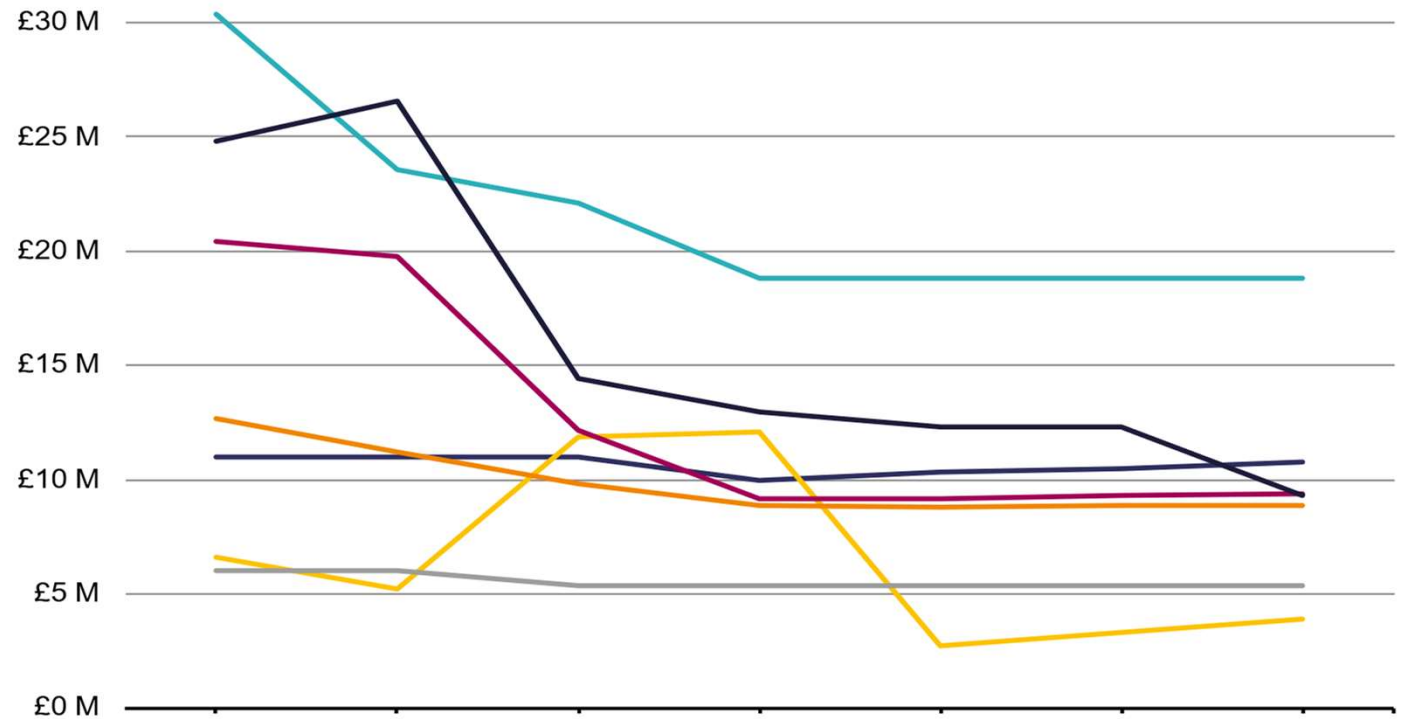
Forecast outturn for investment income is £1.9m higher than expected as interest rates have increased faster and by more than initially expected. This is due to the Bank of England's response to the rate of inflation being slower to reduce than expected. The net favourable variance on Corporate Budgets of (£3.183m) includes all the items outlined above.

The Council is now estimating to receive a circa £800k benefit in 2023/24 as part of its continued participation in the Essex Business Rates Pool. This is shown as part of the Funding line in the table above.

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 and projects progress.

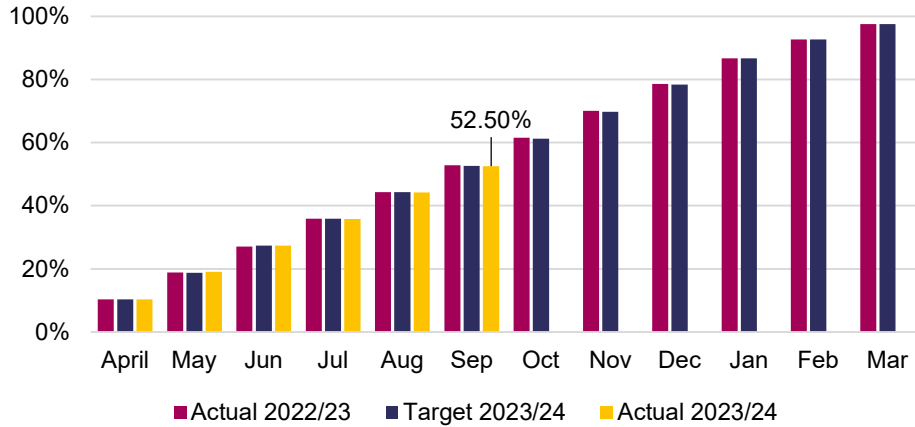


Reserves in £M	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
General Reserves	11.0	11.0	11.0	10.0	10.3	10.5	10.8
Capital Reserves	6.6	5.2	11.9	12.1	2.7	3.3	3.9
Corporate Reserves	20.4	19.8	12.2	9.2	9.2	9.3	9.4
Grant Reserves	30.4	23.6	22.1	18.8	18.8	18.8	18.8
Insurance Reserves	6.0	6.0	5.4	5.4	5.4	5.4	5.4
Service Reserves	12.7	11.2	9.8	8.9	8.8	8.9	8.9
Technical Reserves*	24.8	26.6	14.4	13.0	12.3	12.3	9.3
	111.9	103.4	86.8	77.4	67.5	68.5	66.5

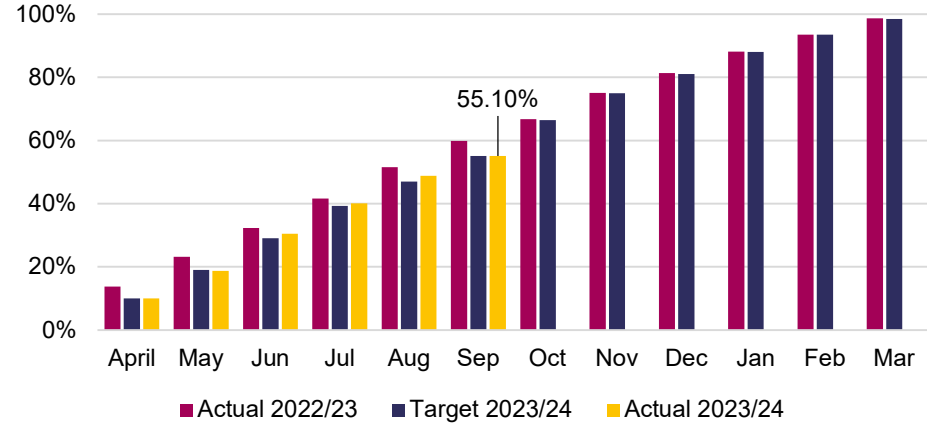
* Technical Reserves are held to even out the Council's finances and reduce in year volatility

Collection Rates

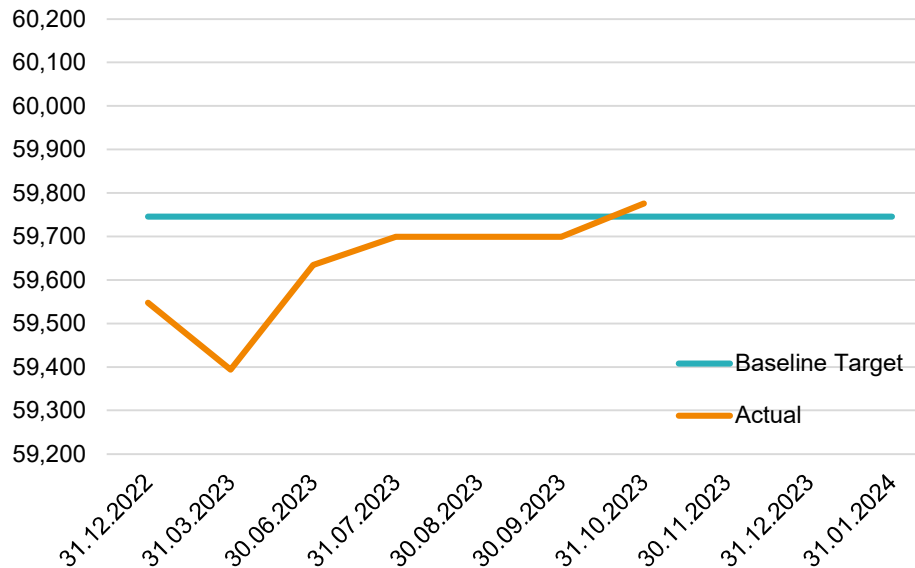
Council Tax Collection



Business Rates Collection



Council Tax Base



The Council Tax Base reflects a slight increase in comparison to the base setting figure, with an increase of 30 Band D equivalent properties. This is primarily due to a decrease in the number of Band D equivalent properties receiving exemptions or discounts.

Council Tax collection is 0.1% (£122k) lower than the current year target for the period. This does not represent a risk of non-collection at this stage.

Business rates in year collection is on target for the financial year giving confidence that the year-end collection can be achieved.

Leader: SEND

10.64%

of Total Gross Revenue
Service Budget

£0.8M

Forecast Adverse Variance

4.56%

Variance as % of Net Portfolio
Service Budget Envelope

Last Reported Variance £M	Service Area	Revised Budget £M	Forecast Outturn £M	Variance £M
0.100	Children with a special educational need and disability (SEND)	3.934	4.084	0.150
0.000	Home to School Transport Contract	2.611	2.611	0.000
0.095	Passenger Transport / Vehicle Fleet	0.186	0.302	0.116
(0.243)	Audit	0.766	0.551	(0.215)
0.070	Civic Affairs	1.043	1.069	0.026
(0.049)	Corporate Budget and Resources Planning	0.900	0.886	(0.014)
0.083	Corporate Planning and Strategic Directic	1.607	1.706	0.099
0.055	Council Tax and Business Rates	0.176	0.241	0.065
0.332	Human Resources	1.677	1.978	0.301
(0.081)	Learning and Workforce Development	0.824	0.687	(0.137)
(0.041)	Performance Delivery	1.458	1.426	(0.032)
0.000	Transformation	0.252	0.252	0.000
0.000	Emergency Planning and Business Continuity	0.252	0.252	0.000
0.289	Legal Services & Land Charges	1.430	1.852	0.422
0.610		17.116	17.897	0.781

Last Reported Variance £M		Revised Budget £M	Forecast Outturn £M	Variance £M
0.495	Gross Expenditure	38.076	38.711	0.635
0.116	Gross Income	(20.959)	(20.814)	0.145
0.611		17.117	17.897	0.780



Children with a special need and disability (SEND) pressures are continuing. There is a national shortage of Educational Psychologists (a critical statutory service supporting and advising both schools, parents and carers for children with SEND). Interim cover has therefore been required to sustain an appropriate statutory service level. These arrangements, together with increases in demand are the key contributory factors of the forecast overspend being reported. Recruitment and retention plans are in place to try to secure a permanent workforce moving forward. Smaller pressures also remain where direct SEND team cover is required for staff on maternity leave.

The internal audit team is continuing to operate with five full time vacancies which is resulting in a significant underspend, this is being partly offset by additional spend on external agencies which has marginally increased since the last position was reported at period 4.

Management decisions taken on Human Resources staffing have reduced the forecast pressure by £31,000. No specific overspending mitigation has yet been agreed for the £147,000 of savings not expected to be achieved this year or the forecast £70,000 shortfall against the approved income target.

The interim Director of Legal Services (Monitoring Officer) has been in post since the beginning of September. Period 4 included an initial estimate for the additional agency costs this would incur but these were underestimated, correcting this has increased the pressure on staffing costs for the Service. The forecast level of income has also been reduced, adding to the increased level of overspending. The combined impact of these changes is circa £90,000.

Income from Local Land Charges has declined further since the forecast was produced for period 4, a direct result of the ongoing slow down in the housing market and the cost of living crisis. There remains an intentional underspending on staffing to partially offset this pressure but the overall forecast for the service has deteriorated by £43,000.

Deputy Leader: Environment

6.10%

of Total Gross Revenue
Service Budget

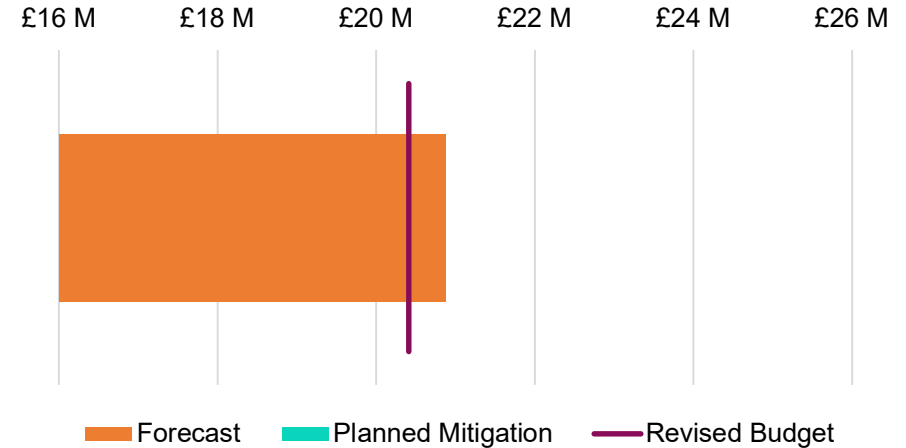
£0.5M

Forecast Adverse Variance

2.28%

Variance as % of Net Portfolio Service
Budget Envelope

Last Reported Variance £M	Service Area	Revised Budget £M	Forecast Outturn £M	Variance £M
(0.022)	All matters relating to trees, plants, grass verges and other flora	0.559	0.537	(0.022)
0.061	Cleansing of highways and public realm	1.656	1.652	(0.004)
(0.018)	Climate Change, Renewable Energy and Energy Saving	0.194	0.184	(0.010)
(0.022)	Parks and Open Spaces, Grounds Maintenance	4.875	4.915	0.040
0.417	Waste collection, disposal, management, recycling & sanitation	13.127	13.588	0.461
0.416		20.411	20.876	0.465
0.212	Gross Expenditure	21.835	21.924	0.089
0.204	Gross Income	(1.424)	(1.048)	0.376
0.416		20.411	20.876	0.465



The cost of waste disposal continues to be the largest driver of financial pressure within this portfolio area. Although tonnages have reduced by 2% 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.

The parks and open spaces services are reporting an overspend as a result of increased vehicle requirements, repairs and maintenance costs, the effect of responding to increased levels of vandalism and the impact of controlling brown tail moths.

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

29.03%

of Total Gross Revenue
Service Budget

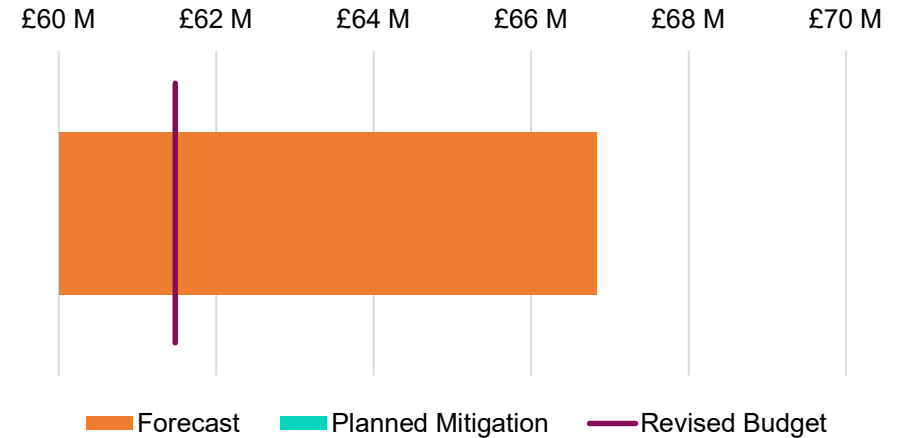
£5.36M

Forecast Adverse Variance

8.71%

Variance as % of Net Portfolio Service
Budget Envelope

Last Reported Variance £M	Service Area	Revised Budget £M	Forecast Outturn £M	Variance £M
5.602	Adult Social Care	41.082	46.005	4.923
(0.451)	Commissioning	3.970	3.461	(0.509)
0.017	Community Cohesion and community assets	0.017	0.032	0.015
0.138	Customer Contact	4.899	4.961	0.062
0.710	Digital and Technology	4.386	4.797	0.411
0.000	Domestic Abuse (Social Aspects)	0.064	0.064	0.000
0.330	Mental Health Services	4.993	5.369	0.376
0.000	Public Health	0.153	0.153	0.000
0.052	Democratic Services	0.776	0.854	0.078
0.000	Transformation	1.138	1.138	0.000
6.398		61.478	66.834	5.356
6.147	Gross Expenditure	103.851	110.812	6.961
0.251	Gross Income	(42.374)	(43.980)	(1.606)
6.398		61.477	66.832	5.355



Budget mitigations of £1.2m have been applied to adult social care which have reduced the overall pressure that was reported at period 4. The underlying pressure continues to relate to the provision of statutory care, particularly around the cost of support to older people, both in residential and home care packages. A combination of an increase in both complexity and costs of individual care packages continues.

The Commissioning Service is now reporting an underspend of around £500,000, primarily against the Transitional Supported Housing budgets, this is a positive development and confirms the earlier than planned delivery of the 2024/25 saving as the contracts have been revised ahead of the original planned budget profile.

Management action within Digital and Technology has decreased the staffing pressure by a small amount and reduced the likely shortfall on income significantly, the combined impact is a positive reduction in the forecast overspend of £299,000.

With the transition of the Mental Health Service back to the Council from Essex Partnership University Trust (EPUT), there continues to be an estimated £288,000 forecast over spend on the staff/contract budget element of the service as the planned saving will not be fully delivered until the service fully transitions from November 2023.

Arts, Culture, Heritage and Leisure

2.04%

of Total Gross Revenue
Service Budget

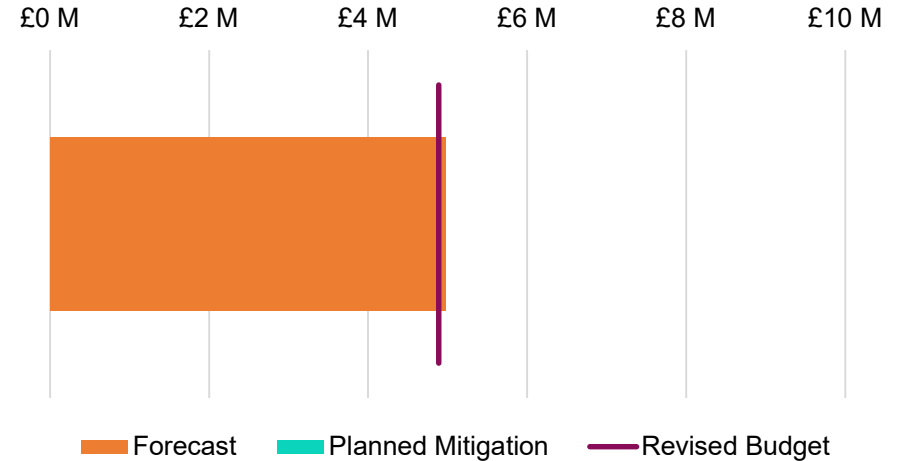
£0.1M

Forecast Adverse Variance

1.64%

Variance as % of Net Portfolio Service
Budget Envelope

Last Reported Variance £M	Service Area	Revised Budget £M	Forecast Outturn £M	Variance £M
(0.079)	Museums and Galleries, Theatres and Libraries	4.575	4.573	(0.002)
0.187	Pier and Foreshore	0.437	0.511	0.074
0.004	Sport Development	(0.123)	(0.115)	0.008
0.112		4.889	4.969	0.080
0.085	Gross Expenditure	7.311	7.391	0.080
0.027	Gross Income	(2.422)	(2.422)	0.000
0.112		4.889	4.969	0.080



The improvement in the overall level of overspend forecast for the Pier and Foreshore Service has been achieved by a combination of reviewing the cost and level of seasonal staff required to keep the Pier operational and previously reported pressures relating to water testing, repairs and maintenance and waste management have now been funded from contingency. Pier admission income has also remained positive due to high visitor numbers throughout the summer.

Childrens Services, Education and Learning

24.36%

of Total Gross Revenue
Service Budget

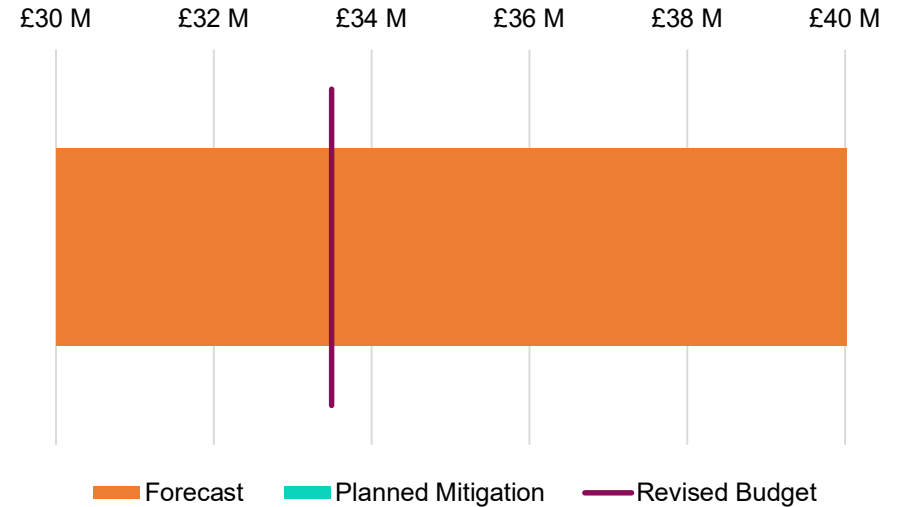
£7.2M

Forecast Adverse Variance

21.38%

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
7.718	Children's Services	29.646	37.014	7.368
(0.040)	Family Centre, Early Years and Childcare	1.144	1.094	(0.050)
(0.110)	Schools, Education and Learning	1.211	0.976	(0.235)
(0.005)	Youth and Connexions	0.778	0.828	0.050
(0.114)	Youth Justice Service	0.582	0.608	0.026
7.449		33.491	40.650	7.159
7.908	Gross Expenditure	87.128	95.179	8.051
(0.459)	Gross Income	(53.637)	(54.529)	(0.892)
7.449		33.491	40.650	7.159



As reported in Period 4, the significant spend pressure trend continues from 2022/23 into 2023/24 within Children Services. This is mainly due to a combination of Residential Care placement costs particularly for those cases that are most complex within a market that is stretched and short of supply (resulting in some very high prices) and the continued reliance on external foster care placements in 2023/24. The strategy remains 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.

Other major pressures within Children Services for 2023/24 (as reported in Period 4) remain and includes continued reliance on temporary agency staff to cover critical statutory social work and certain critical social work management posts. Financial pressures including the national transfer scheme for Unaccompanied Asylum seekers where those children have now turned 18 and remain in supported in accommodation whilst their asylum application is considered (as the Home Office grant to support their costs reduces once the child turns 18), and pressures for care and support costs for Children with Disabilities under Section 17 status are continuing. Within the Youth Justice Service whilst temporary vacancies remain present, there is now an added confirmed pressure on secure remand placements. This is due to the confirmed grant level now received for 2023/24, which is significantly lower than the actual costs being experienced. The HM Prison & Probation service grant is based on average of the last 3 year costs and therefore the Council will be expecting to receive an increase in the level of grant in 2024/25.

Whilst the safety and wellbeing of Children remain of paramount importance the Council continues to explore opportunities to reduce costs where it is safe and possible to do so. As previously highlighted the costs relating to residential care placements are significant and any further placements or net increased placement costs will have a significant impact on the financial position reported for period 6.

Whilst significant financial pressure remains across the portfolio directorate of Children Services, within Education and Learning the position has improved and reduced by £290,000 from period 4. Children Services have intensely reviewed and reduced spend pressure within supported accommodation placements where young adults 18+ who were previous care experienced children have transitioned safely into adults and further work is continuing. Educational Services have also proactively reduced Council spend pressures by effectively integrating eligible activities into other direct and legitimate educational grant funding streams.

Community Safety and Public Protection

1.19%

of Total Gross Revenue
Service Budget

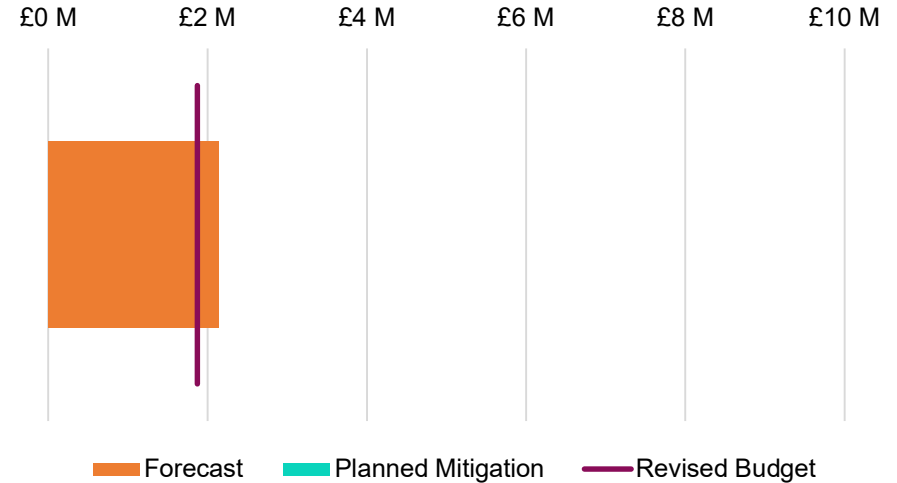
£0.3M

Forecast Adverse Variance

14.31%

Variance as % of Net Portfolio Service
Budget Envelope

Last Reported Variance £M	Service Area	Revised Budget £M	Forecast Outturn £M	Variance £M
0.084	Closed Circuit Television	0.491	0.588	0.097
(0.002)	Community Safety	0.855	0.805	(0.050)
0.001	Drugs and Alcohol Service	0.000	0.001	0.001
0.150	Public Toilets	0.407	0.627	0.220
0.000	Town Centre Management	0.120	0.120	0.000
0.233		1.873	2.141	0.268
0.043	Gross Expenditure	4.270	4.358	0.088
0.189	Gross Income	(2.396)	(2.217)	0.179
0.232		1.874	2.141	0.267



The £150,000 saving associated with a review of the public toilet offer is not being progressed which leaves this service area unable to be delivered within its budget envelope for 2023/24. An alternative saving proposal has not yet been agreed but when one is developed then this pressure could be mitigated before the end of the year. There is also an additional maintenance pressure in this service of £70,000.

The CCTV service is delivered by an established team of staff and as such staff turnover is very low. This is resulting in a budget pressure on staffing costs, due to an assumption that there would be some staff turnover. The drive to deliver services on a commercial basis is continuing but formal contracts are yet to be signed to bring in additional income.

Economic Growth and Investment

0.31%

of Total Gross Revenue
Service Budget

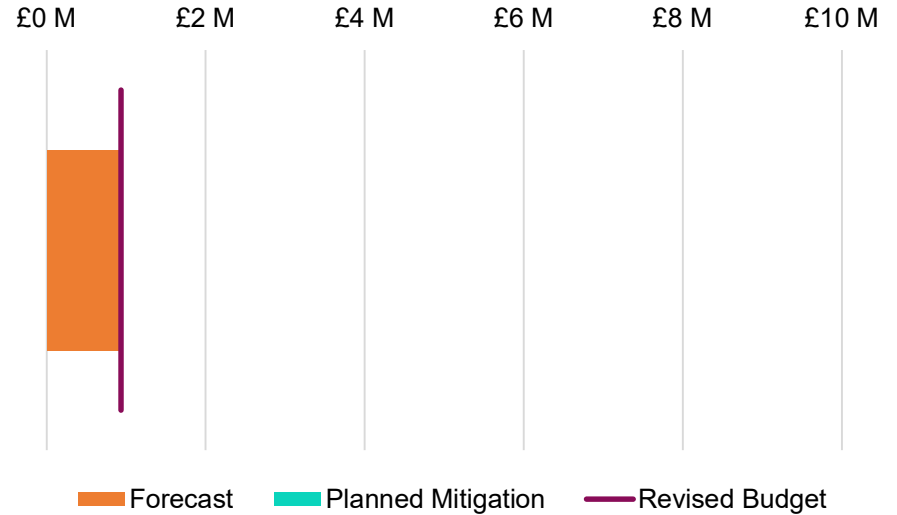
(£0.0M)

Forecast Favourable
Variance

-2.03%

Variance as % of Net Portfolio Service
Budget Envelope

Last Reported Variance £M	Service Area	Revised Budget £M	Forecast Outturn £M	Variance £M
0.184	Marketing (Place Branding/Tourism)	0.449	0.491	0.042
(0.059)	Regeneration and business growth	0.486	0.425	(0.061)
0.125		0.935	0.916	(0.019)
0.125	Gross Expenditure	1.096	1.078	(0.018)
0.000	Gross Income	(0.162)	(0.162)	0.000
0.125		0.934	0.916	(0.018)



The improvement in the revised forecast outturn for this portfolio can be predominantly attributed to the agreed use and application of Council reserves to fund the additional special events which included the Herd in the City Sponsorship, the Tour of Britain Cycling Event and local fireworks event.

Highways, Transport and Parking

3.52%

of Total Gross Revenue
Service Budget

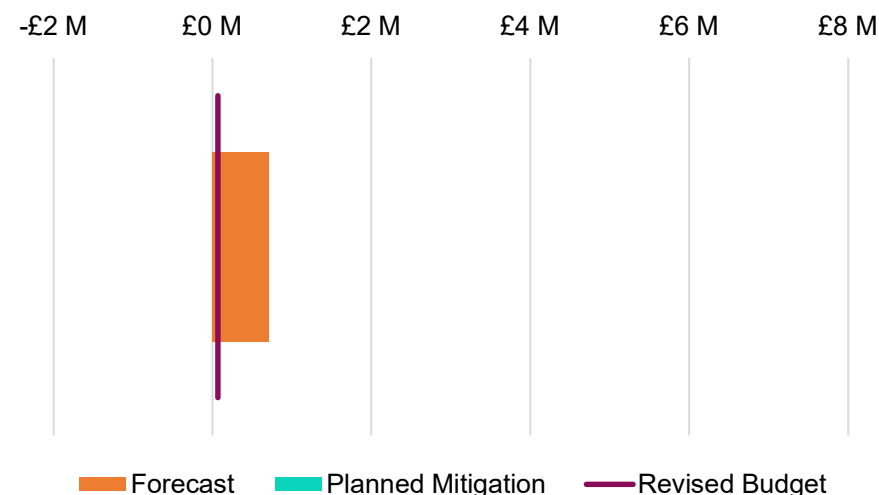
£0.6M

Forecast Adverse Variance

-965.67%

Variance as % of Net Portfolio Service
Budget Envelope

Last Reported Variance £M	Service Area	Revised Budget £M	Forecast Outturn £M	Variance £M
0.736	Car parks and all car parking matters	(8.690)	(7.703)	0.987
(0.300)	Concessionary Fares	2.840	2.290	(0.550)
0.000	Engineering (Bridges and Structures)	0.051	0.051	0.000
0.661	Highways (including maintenance)	4.746	4.843	0.097
(0.053)	Highways and Transport	(0.303)	(0.350)	(0.047)
0.143	Public Transport	0.185	0.327	0.142
(0.004)	Transport (including Transport Policy and Licensing)	1.238	1.256	0.018
1.183		0.067	0.714	0.647
1.967	Gross Expenditure	12.582	13.732	1.150
(0.784)	Gross Income	(12.516)	(13.016)	(0.500)
1.183		0.066	0.716	0.650



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 major spend pressures include an increase in the number of Civil Enforcement Officers and the wage increases they have received in response to national living wage increase and the need to retain staff.

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

Concessionary fares payments are now linked directly to actual usage on local buses. Due to the reduction in journeys post-pandemic our financial contribution has also continued to reduce.

The reported overspend on the Highways (including maintenance) line has reduced due to the utilisation of the inflation contingency which was earmarked for this purpose. Ongoing spend pressures in this area include the repair costs associated with damaged street lighting columns and a shortfall in the amount of staff time which is charged to delivering the capital programme which is being offset by staffing vacancies and an increase in income from PVX (private vehicle crossings) applications.

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. Plans are continuing to be developed to try to mitigate some of this additional pressures for the remainder of 2023/24.

Housing and Planning

19.45%

of Total Gross Revenue
Service Budget

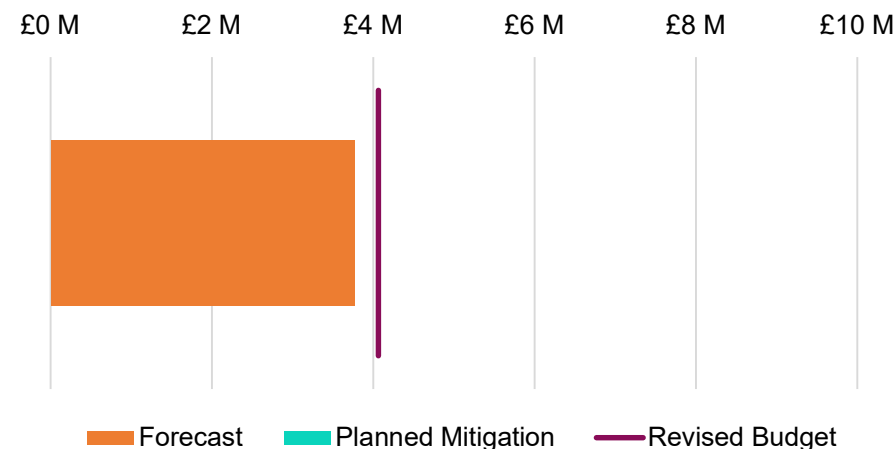
(£0.30M)

Forecast Favourable
Variance

-7.38%

Variance as % of Net Portfolio Service
Budget Envelope

Last Reported Variance £M	Service Area	Revised Budget £M	Forecast Outturn £M	Variance £M
(0.030)	Homelessness and Rough Sleeping	0.365	0.314	(0.051)
(0.159)	Housing Benefit	1.643	1.456	(0.187)
0.000	Housing Management	0.082	0.082	0.000
0.020	Housing Strategy	0.360	0.363	0.003
0.068	Planning Policy and Planning Control, Building Control	0.598	0.549	(0.049)
(0.011)	Private sector housing standards and grants	0.585	0.569	(0.016)
0.000	Queensway Development	0.000	0.000	0.000
0.030	Sea and Foreshore Defences	0.431	0.431	0.000
(0.082)		4.064	3.764	(0.300)
0.059	Gross Expenditure	69.576	69.562	(0.014)
(0.141)	Gross Income	(65.512)	(65.798)	(0.286)
(0.082)		4.064	3.764	(0.300)



The Service Director continues to intentionally hold vacancies within Housing Benefit teams (Benefits Administration and Essential Living Fund) to try to help with the overall financial pressures across the Council whilst maintaining an acceptable level of service.

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 commercial terms the works will go to competitors in the market and we may struggle to obtain repeat business. The improvement now reported in the forecast outturn position for the overall Planning Service is directly due to the drawdown from the reserve for Planning which is earmarked to respond to the volatility in the market.

Regulatory Services

3.35%

of Total Gross Revenue
Service Budget

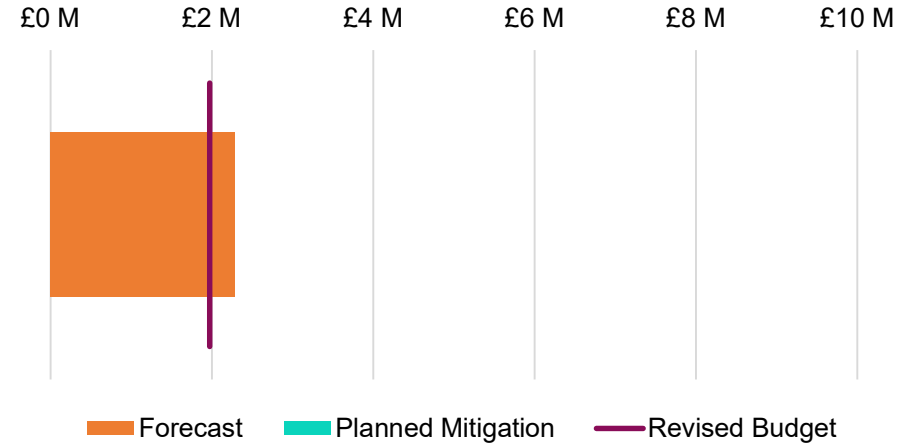
£0.31M

Forecast Adverse Variance

15.82%

Variance as % of Net Portfolio Service
Budget Envelope

Last Reported Variance £M	Service Area	Revised Budget £M	Forecast Outturn £M	Variance £M
(0.239)	Asset Management	0.618	0.389	(0.229)
0.990	Cemeteries, Crematoria and Bereavemen	(1.719)	(0.924)	0.795
0.000	Corporate Procurement	0.940	0.940	0.000
(0.174)	Financial Services (including Insurance etc.)	2.704	2.534	(0.170)
0.382	Property and Commercial	(1.600)	(1.535)	0.065
0.031	Registration Services	(0.145)	(0.114)	0.031
(0.029)	Regulatory services	1.174	0.994	(0.180)
0.961		1.972	2.284	0.312
1.032	Gross Expenditure	11.966	12.874	0.908
(0.071)	Gross Income	(9.994)	(10.591)	(0.597)
0.961		1.972	2.283	0.311



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 development. 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 £640k. This income reduction is expected to be temporary and when the crematorium is fully operational again it is expected that income levels will return.

The Service Director is intentionally holding vacancies across his Financial Services teams to try and help with the overall financial pressures experienced across the Council. This is proving to be more and more difficult as the demands on the service continues to increase.

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.

The forecast performance of investment properties has improved due to a rise in rents. Staffing pressures within the Property and Commercial remain but the pressure on operational properties has reduced because of the application of contingency to offset the increase in energy prices. The combined effect of these elements is to reduce the forecast overspend by £317,000.

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 number of posts are currently being held vacant in the Regulatory Services team which is contributing to a forecast underspend of (£198k).

Housing Revenue Account

£0.6M

Forecast Adverse Variance

2.3%

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	28.629	0.180
0.000	Gross Income	(32.556)	(32.091)	0.465
0.000	NET OPERATING EXPENDITURE	(4.107)	(3.462)	0.645
0.000	Revenue Contribution to Capital	7.384	7.384	0.000
0.000	Contribution to / (from) Earmarked Reserves	(3.277)	(3.922)	(0.645)
0.000	TOTAL	0.000	0.000	0.000

HRA Reserves 2023/24	Opening Balance	Forecast Movement	Closing Balance
Capital Investment Reserve	27.614	(3.922)	23.692
Major Repairs Reserve	9.916	0.047	9.963
Repairs Contract Pension Reserve	0.760	0.000	0.760
HRA Reserve	3.502	0.000	3.502
HRA Reserves Total	41.792	(3.875)	37.917

Following resourcing difficulties with the responsive repairs and voids contractor, a secondary contractor has had to be used to deliver on this work. This is in place whilst the main contractor is working through the resourcing issues. This has led to the forecast costs for the full year being higher than originally anticipated.

Over the years, the number of void units on the Queensway site has been increasing, which is leading to a higher rent loss than expected. We anticipate the rent loss to reduce as the void Queensway units are brought back into use, and this forecast will be reviewed closely each month.