

Appendix 1

Budget Monitoring & Reporting 2022/2023

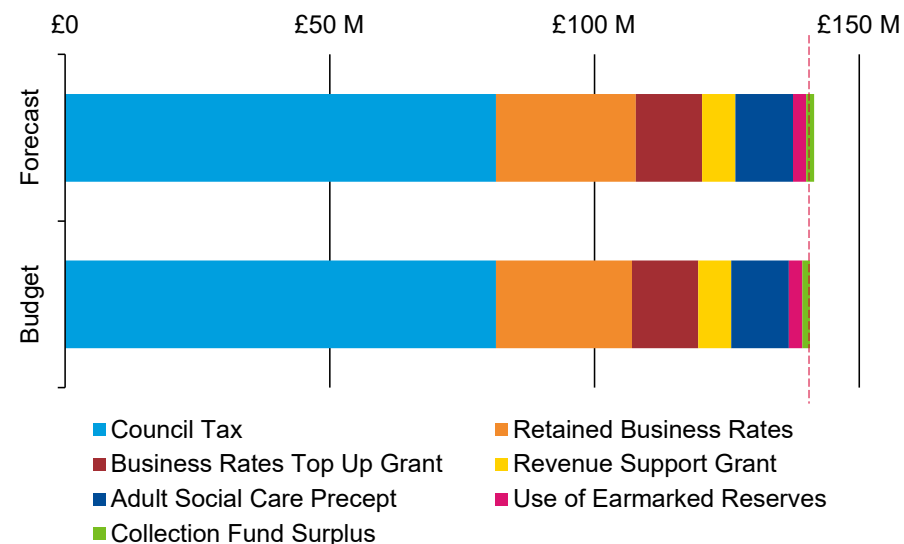
Period 08 - November 2022 Revenue Budget Performance



Summary

Last Reported Variance £M	Portfolio	Revised Budget £M	Forecast Outturn £M	Variance £M
0.248	Leader: Corporate Matters and Performance Delivery	20.646	20.761	0.115
1.039	Deputy Leader (May-Oct): Environment, Culture and Tourism	11.401	12.164	0.763
1.588	Deputy Leader (Nov-May): Public Protection	14.462	15.895	1.433
2.681	Adult Social Care & Health Integration	46.253	48.163	1.910
0.664	Asset Management and Inward Investment	4.424	5.081	0.657
6.490	Children and Learning and Inclusion	33.891	40.829	6.938
(0.730)	Economic Recovery, Regeneration and Housing	3.646	2.819	(0.827)
1.024	Highways, Transport and Parking	0.922	1.716	0.794
13.004		135.645	147.428	11.783
0.000	Corporate Budgets	20.804	19.865	(0.939)
13.004		156.449	167.293	10.844
0.000	Contribution to / (from) earmarked reserves	(3.434)	(5.282)	(1.848)
0.000	Revenue Contribution to Capital	0.418	0.418	0.000
(0.900)	Non Service Specific Grants	(12.692)	(13.592)	(0.900)
12.104	TOTAL	140.741	148.837	8.096
0.000	Funding (including Collection Fund)	(138.241)	(138.991)	(0.750)
0.000	Planned contributions from reserves	(2.500)	(2.500)	0.000
12.104		0.000	7.346	7.346

Sources of funding (£s)



Southend-on-Sea's financial position and forecast outturn for 2022/23 remains a major concern despite the forecast improvement of around £4.7 million from Period 6 to Period 8.

Proactive treasury management activity has resulted in securing an increase in estimated investment income of £875,000. This is linked to the recent rises in the Bank of England base rate. Actioning a £100,000 reduction in the voluntary part of the repayment to Essex County Council regarding the transferred debt balance when the City Council became a Unitary Authority is also reflected in the improved forecast variance on Corporate Budgets for Period 8.

Further improvement in the financial performance between Period 6 and Period 8 is due to the application of £1.848 million of earmarked reserves; £1 million which was set aside within the 2021/22 Outturn report to help the Council deal with the impact of rising inflation in 2022/23 and £848,000 has now been applied which was the remaining balance held in the COVID-19 Recovery and Response reserve that was created in 2020/21.

The City Council is an integral part and member of the Essex Business Rates Pool. An estimated benefit of £750,000 is now expected to be realised for this financial year and this has now been included in the updated Period 8 forecast.

Further reduction in the Council's revised forecast overspend of **£7.346 million** will require some very difficult choices and decisions to be made during the remainder of the year. The Council will have no choice but to use its reserves which have been prudently developed over previous years to cover any overspend that remains at the end of this financial year. The estimated impact (based on Period 8's forecast) has been reflected in the 2022/23 reserves balances included in this report. This means that the total closing reserve balance for the City Council as at 31st March 2023 is now forecast to be **£83.3 million**. The use of reserves to cover ongoing expenditure is not a sustainable option as by their very nature reserves can only be spent once. In order to ensure ongoing financial resilience and future sustainability the cost base of the Council will need to be reduced and reserves will need to be replenished in the medium to longer term.

This report provides an insight into the key spending pressures that are continuing and what action is being taken to mitigate the impact. Given the nature of the major demand and cost pressures in core statutory services, a situation that is replicated in many upper tier authorities across the country, there are limited short term tactical options left to improve the overall financial position by the end of the financial year.

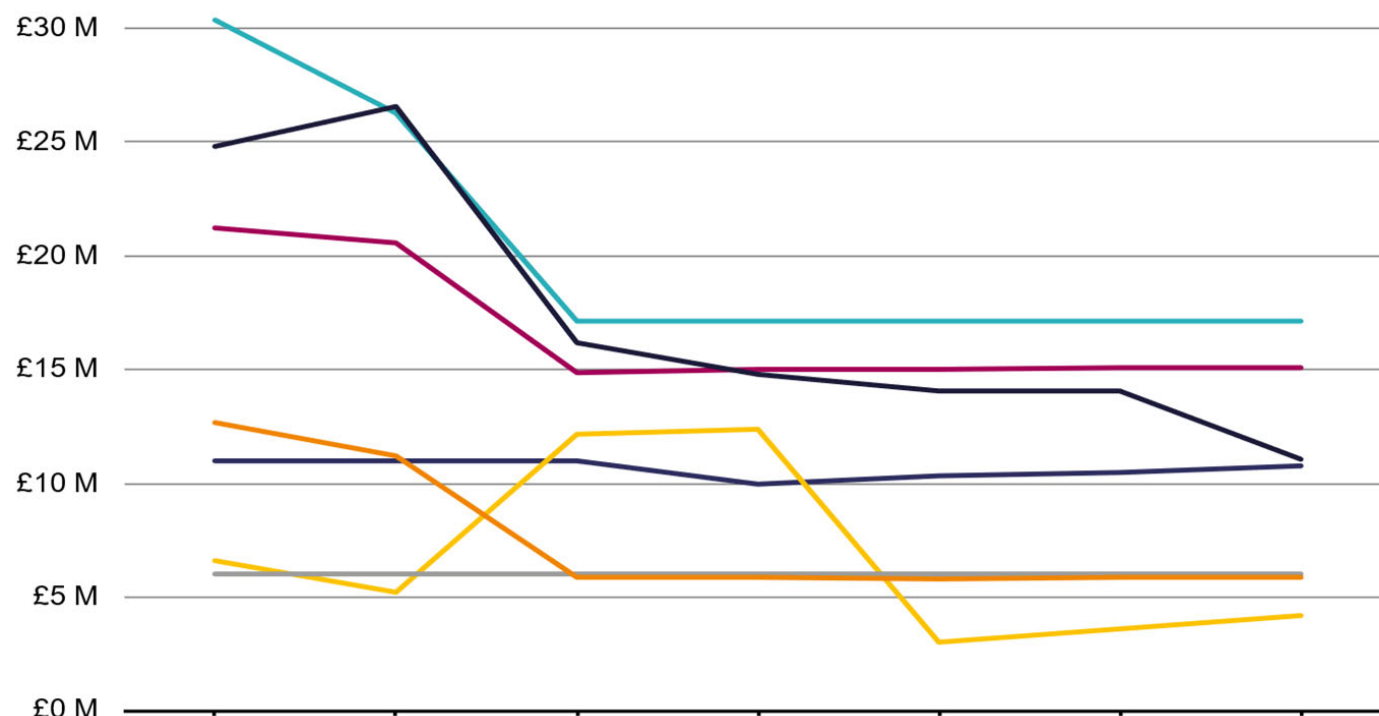
Work will continue to try and improve the Council's financial position throughout the rest of 2022/23 and a final outturn report will be presented to Cabinet in June 2023.

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.

The fall in grant and service reserve balances from 2020-21 to 2022-23 broadly reflects the use of additional funding received in relation to COVID-19. The forecast outturn for 2022/23 has been reflected in our Reserves position with the potential use of £7.346M to meet the current forecast overspend.

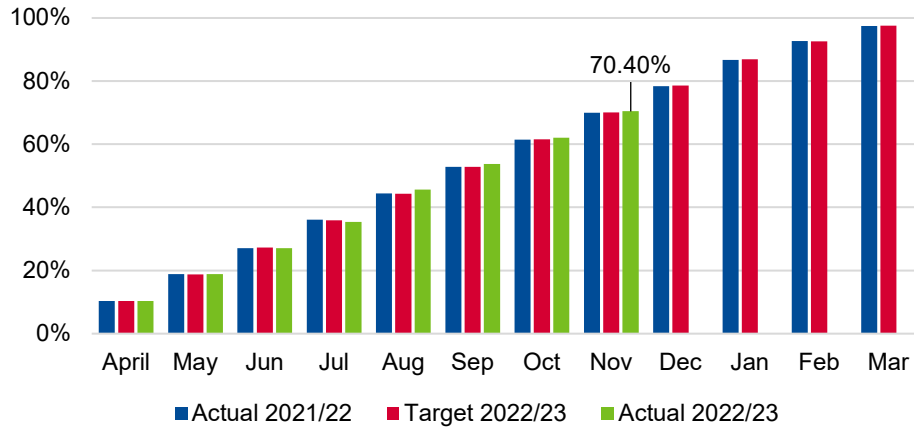


Reserves in £M	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
General Reserves	11.0	11.0	11.0	10.0	10.3	10.5	10.8
Capital Reserves	6.6	5.2	12.2	12.4	3.0	3.6	4.2
Corporate Reserves	21.2	20.6	14.9	15.0	15.0	15.1	15.1
Grant Reserves	30.4	26.3	17.1	17.1	17.1	17.1	17.1
Insurance Reserves	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Service Reserves	12.7	11.2	5.9	5.9	5.8	5.9	5.9
Technical Reserves*	24.8	26.6	16.2	14.8	14.1	14.1	11.1
	112.7	106.9	83.3	81.2	71.3	72.3	70.2

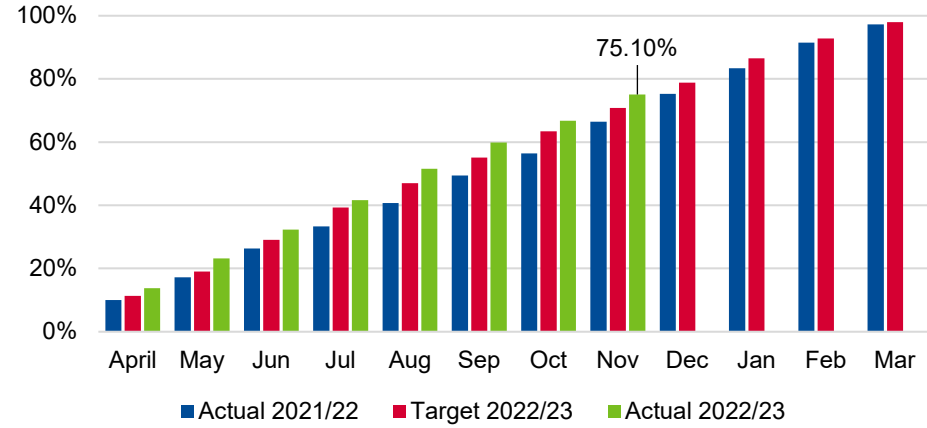
* Technical Reserves are held to even out the Council's finances and reduce in year volatility

Collection Rates

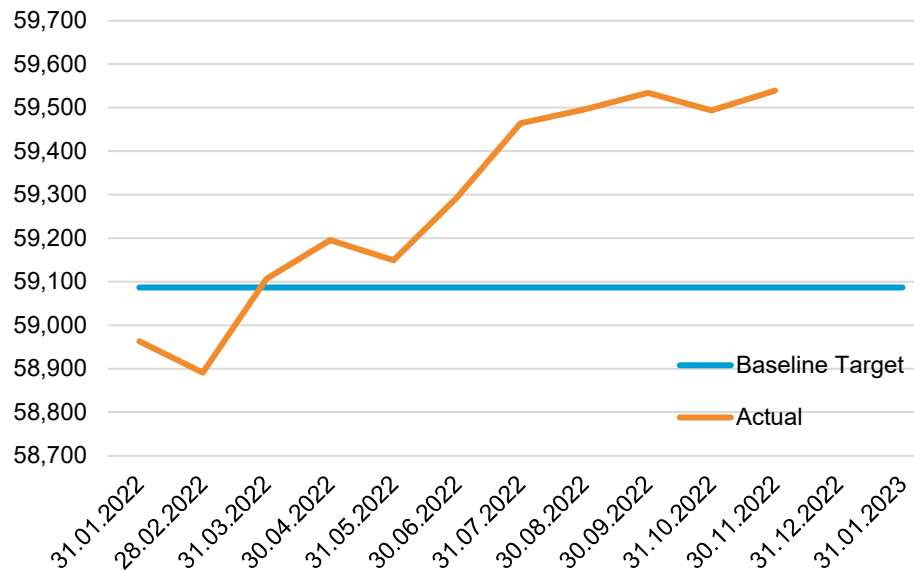
Council Tax Collection



Business Rates Collection



Council Tax Base



The Council Tax Base has increased by circa 453 Band D equivalents since the baseline was set for this financial year. This is primarily due to 388 additional properties added. The decrease in the number of Council Tax Reductions (CTR) that is applied to accounts continues, with the caseload now nearing a pre-Covid 19 position.

Council Tax collection is 0.4% (£0.454M) above target for the current year and 6.7% (£0.648M) lower than target for previous year's arrears.

Business rates in year collection is 4.3% (£1.721M) above target and previous year's arrears is 4.7% (£0.065M) below target.

Leader: Corporate Matters and Performance Delivery

7.46%

of Total Gross Revenue
Service Budget

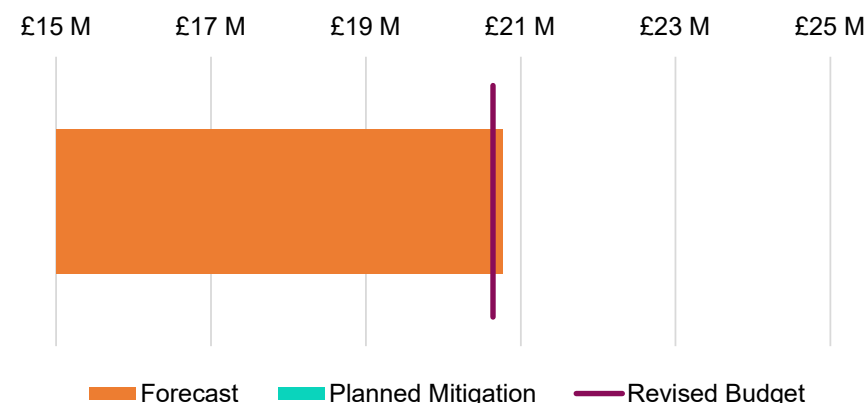
£0.1M

Forecast Adverse Variance

0.56%

Variance as % of Net Portfolio
Service Budget Envelope

Last Reported Variance £M	Service Area	Revised Budget £M	Forecast Outturn £M	Variance £M
(0.080)	Audit	0.781	0.701	(0.080)
0.046	Civic Affairs	0.965	1.060	0.095
(0.200)	Corporate Budget and Resources Planning	0.618	0.418	(0.200)
(0.106)	Corporate Planning and Strategic Direction	3.083	2.976	(0.107)
(0.169)	Council Tax and Business Rates	0.358	0.189	(0.169)
(0.104)	Customer Contact	1.711	1.607	(0.104)
0.331	Digital and Technology	4.675	4.929	0.254
(0.016)	Emergency Planning	0.229	0.213	(0.016)
0.267	Human Resources	1.899	2.166	0.267
(0.188)	Learning and Workforce Development	0.908	0.697	(0.211)
0.194	Legal Services, Land Charges & Democratic Services	2.101	2.447	0.346
0.124	Other Services	1.034	0.969	(0.065)
0.149	Performance Delivery	2.283	2.389	0.106
0.248		20.645	20.761	0.116
0.460	Gross Expenditure	24.975	25.247	0.272
(0.212)	Gross Income	(4.330)	(4.486)	(0.156)
0.248		20.645	20.761	0.116



The forecast variance on Civic Affairs has risen due to the continuing increase in utilities costs at Porters Place and the 4.04% increase to Councillor Allowances is now included as a result of the agreed and finalised remuneration offer.

Legal services is also showing an increased forecast overspend which is due to increased demand and reliance on agency staff to fulfil critical duties. Current market conditions are making it very difficult to recruit permanent professional legal staff. A challenge that is unfortunately reflected in many areas of the Council's range of professional support services.

Despite these cost pressures the financial performance of the Portfolio has improved overall from Period 6. This is largely attributable to proactively managing staff vacancies and reducing agency requirements, together with lower than expected costs relating to historical pension liabilities.

Deputy Leader (May-Oct): Environment, Culture and Tourism

4.98%

of Total Gross Revenue
Service Budget

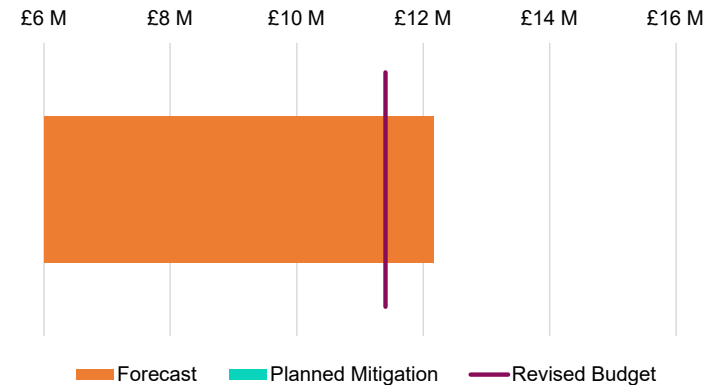
£0.8M

Forecast Adverse Variance

6.68%

Variance as % of Net Portfolio
Service Budget Envelope

Last Reported Variance £M	Service Area	Revised Budget £M	Forecast Outturn £M	Variance £M
(0.125)	All matters relating to trees, plants, grass verges and other flora	0.559	0.434	(0.125)
0.055	Climate Change, Renewable energy and Energy Saving	0.158	0.212	0.054
0.102	Marketing (Place Branding/Tourism)	0.331	0.483	0.152
0.631	Museums and Galleries, Theatres and Libraries	4.070	4.619	0.549
0.274	Parks and Open Spaces, Grounds Maintenance	4.663	4.974	0.311
0.290	Pier and Foreshore	0.414	0.473	0.059
(0.414)	Planning Policy and Planning Control, Building Control	0.923	0.459	(0.464)
0.060	Sea and Foreshore Defences	0.401	0.461	0.060
0.166	Sport Development	(0.117)	0.049	0.166
1.039		11.402	12.164	0.762
1.258	Gross Expenditure	16.669	17.819	1.150
(0.219)	Gross Income	(5.267)	(5.654)	(0.387)
1.039		11.402	12.165	0.763



The Pier and Foreshore Service is now forecast to overspend by £59,000, due to a combination of factors including cost pressures on gas and electricity budgets (£123,000), water services (£35,000 due to a back dated liability) and repairs and maintenance (£110,000). These pressures have been offset by increased pier admission income (£232,000) related to a higher number of visitors this year.

Museums and Galleries, Theatres and Libraries are reporting a combined £549,000 overspend which is primarily due to increasing gas and electricity costs (£407,000), the forecast for which has been updated to reflect the usage to date with an estimate for the remainder of the year, this challenge and comprehensive energy management review has contributed to a £110,000 reduction in the estimated cost pressure since Period 6. There is also a continuing pressure of £69,000 relating to the agreed increased pay award for 2022/23.

There is a £154,000 overspend arising from the under recovery of income on the Fusion contract this financial year. Cabinet approved the reprofiling of this income, which will now be received in 2023/24.

Maintenance works to trees on the highway is £125,000 lower than anticipated, although any potential storms through the winter may result in a surge in demand and increase responsive tree maintenance costs. This will be kept under review for the remainder of the year.

The Parks and Grounds Maintenance services are experiencing inflationary pressures of approximately £230,000 for fuel and utilities, as well as a reduction in income from 3rd parties and an increase in vehicle and machine hire costs. Some of this increased pressure is being offset by proactively managing staffing vacancies and critically reviewing agency requirements.

A number of large Building Control and Development Control fees have now been received by the department in the 8 months of the year which will require ongoing work throughout the remainder of 2022/23. Some additional resource may be required to support the processing and delivery of the applications due to their complexity. The securing of this additional income is the main contributing factor behind the improved forecast outturn now being reported.

Deputy Leader (Nov-May): Public Protection

5.57%

of Total Gross Revenue
Service Budget

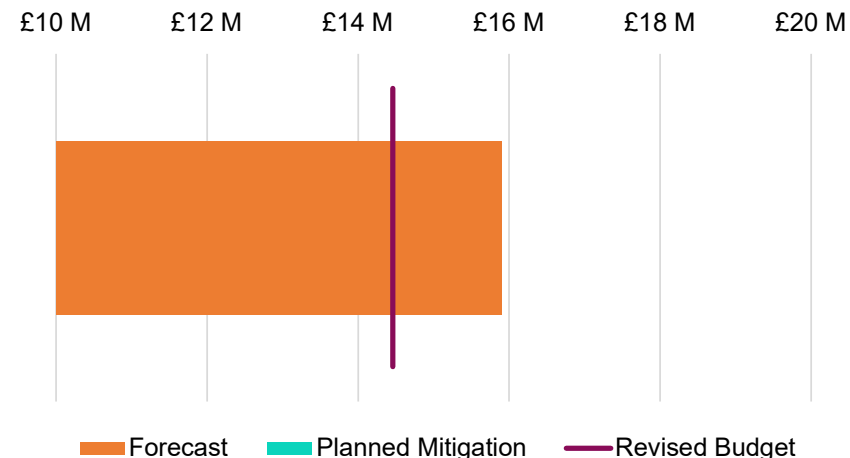
£1.44M

Forecast Adverse Variance

9.92%

Variance as % of Net Portfolio
Service Budget Envelope

Last Reported Variance £M	Service Area	Revised Budget £M	Forecast Outturn £M	Variance £M
0.552	Cemeteries, Crematoria and Bereavement Services	(1.616)	(1.061)	0.555
(0.086)	Cleansing of highways and public realm	1.821	1.794	(0.027)
0.114	Closed Circuit Television	0.489	0.540	0.051
(0.060)	Community Safety	0.916	0.865	(0.051)
0.010	Public Toilets	0.532	0.548	0.016
0.030	Registration Services	(0.086)	(0.056)	0.030
0.005	Regulatory services	1.231	1.213	(0.018)
0.003	Town Centre Management	0.130	0.122	(0.008)
1.020	Waste collection, disposal, management, recycling & sanitation	11.045	11.932	0.887
1.588		14.462	15.897	1.435
1.086	Gross Expenditure	18.653	19.581	0.928
0.502	Gross Income	(4.191)	(3.684)	0.507
1.588		14.462	15.897	1.435



The cremators at the crematorium are due to be refurbished towards the end of 2022. Significant work has been undertaken to review the planning of this work in order to minimise disruption to our service offer and to reduce the impact on income that could be generated (forecasting an income shortfall of around £270,000 for the year). The service continues to be significantly affected by the increase in utility costs and an estimated pressure of around £170,000 is forecast by the end of the financial year.

Household waste tonnage levels increased during the pandemic and have generally remained at those levels throughout 2022/23 so far. Increased residual waste volumes has a direct impact of increasing our disposal cost, unlike recycling tonnage and it is estimated that the financial implication of this will be approximately £0.9M this year. An estimated improvement in the financial performance reported at Period 6 is due to the positive outcome of the recent waste disposal procurement which has resulted in a more advantageous disposal rate per tonne. As previously reported waste collection levels and disposal tonnages are a particularly volatile and difficult area to predict. The need to proactively encourage all residents and businesses to do more to recycle and minimise the levels of residual waste remains a major priority for the City.

Adult Social Care & Health Integration

25.87%

of Total Gross Revenue
Service Budget

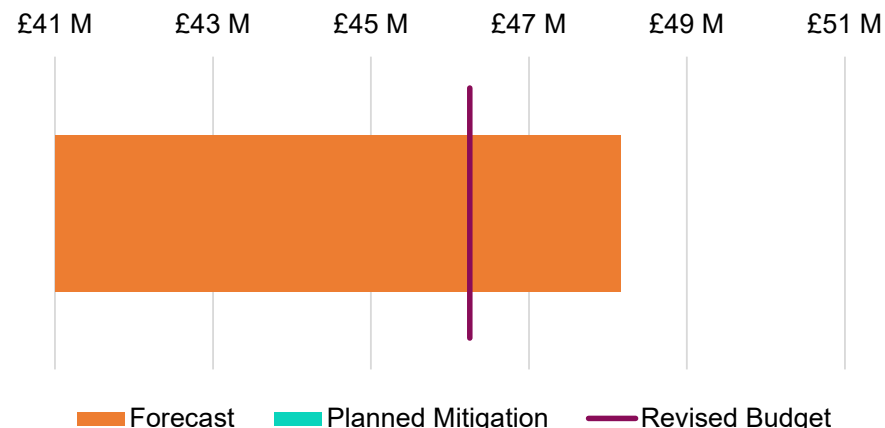
£1.9M

Forecast Adverse Variance

4.13%

Variance as % of Net Portfolio
Service Budget Envelope

Last Reported Variance £M	Service Area	Revised Budget £M	Forecast Outturn £M	Variance £M
2.095	Adult Social Care	35.300	36.835	1.535
(0.049)	Commissioning	5.642	5.521	(0.121)
0.629	Mental Health Services	4.469	4.962	0.493
0.000	Public Health	0.263	0.263	0.000
0.000	Community Cohesion and community assets	0.016	0.016	0.000
0.000	Drugs and Alcohol Service	0.379	0.379	0.000
0.006	Domestic Abuse (Social Aspects)	0.184	0.188	0.004
2.681		46.253	48.164	1.911
1.594	Gross Expenditure	86.575	87.253	0.678
1.087	Gross Income	(40.322)	(39.089)	1.233
2.681		46.253	48.164	1.911



Following a comprehensive review of all operational aspects of this Portfolio a reduced forecast overspend of around £1.9m is now predicted for 2022/23, this includes circa £220,000 cost pressure arising from the finalisation of the 2022 pay award. Overall this is an improved position of £769,000 compared to Period 6.

A detailed challenge and assessment has been undertaken across a number of key areas that has contributed to this improved forecast position. The pressure relating to placements where a person transitions from Children’s Services or an Educational establishment to adults has reduced but is still estimated to be £540,000 overspent by the end of the year. There also remains a pressure of £350,000 of undelivered savings that was approved as part of the budget but due to increasing demand this has not yet been achieved. A major review of care packages ensuring that the safety and needs of the individual are still met has contributed a forecasted £500,000 improvement in reduced total cost since Period 6, but an underlying cost pressure of around £830,000 still remains. This is primarily due to major inflationary pressures in the market, particularly in residential placements and a general increase in demand for statutory social care. The level of income to be recovered from client contributions to these increased cost of care packages is estimated to increase by circa £200,000 by the end of the financial year.

Asset Management and Inward Investment

2.84%

of Total Gross Revenue
Service Budget

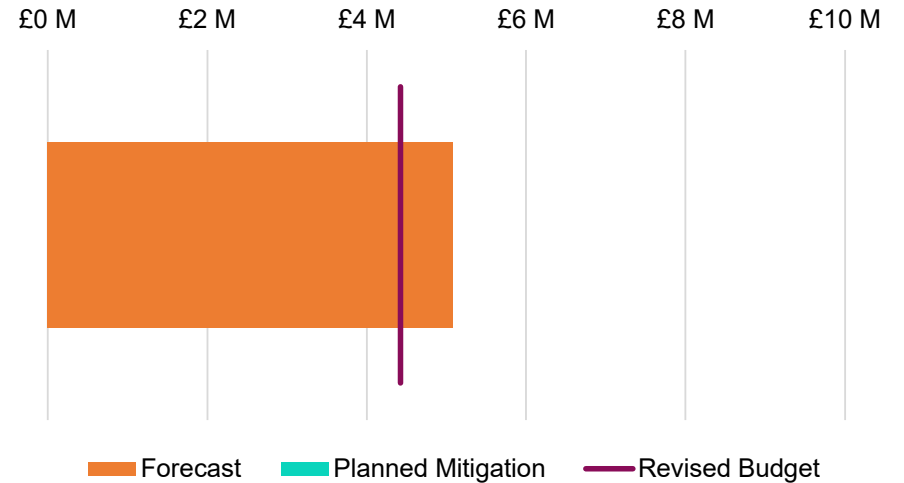
£0.7M

Forecast Adverse Variance

14.85%

Variance as % of Net Portfolio
Service Budget Envelope

Last Reported Variance £M	Service Area	Revised Budget £M	Forecast Outturn £M	Variance £M
(0.243)	Asset Management	0.677	0.496	(0.181)
0.003	Corporate Procurement	1.001	0.944	(0.057)
0.186	Financial Services (including Insurance etc.)	2.648	2.854	0.206
0.000	Home to School Transport Contract	1.438	1.438	0.000
0.718	Property and Commercial	(1.340)	(0.651)	0.689
0.664		4.424	5.081	0.657
1.463	Gross Expenditure	9.496	12.057	2.561
(0.799)	Gross Income	(5.072)	(6.975)	(1.903)
0.664		4.424	5.082	0.658



The majority of this portfolio of services has remained broadly consistent with the position reported at Period 6. The minor improvement is directly linked to the continued proactive managing of vacant posts and reviewing levels of agency support.

Children and Learning and Inclusion

29.85%

of Total Gross Revenue
Service Budget

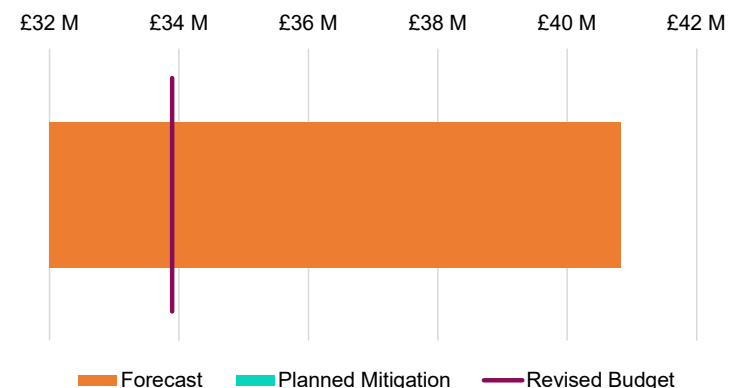
£6.9M

Forecast Adverse Variance

20.48%

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 and Community Learning	0.070	0.070	0.000
0.344	Children with a special educational need and disability (SEND)	2.466	2.737	0.271
0.001	Children's Safeguarding	0.079	0.080	0.001
6.259	Children's Services	25.363	32.227	6.864
(0.009)	Family Centre, Early Years and Childcare	2.198	2.148	(0.050)
(0.121)	Schools, Education and Learning	1.220	1.110	(0.110)
(0.003)	Youth and Connexions	0.945	0.916	(0.029)
0.019	Youth Offending Service	1.549	1.541	(0.008)
6.490		33.890	40.829	6.939
7.121	Gross Expenditure	99.900	107.218	7.318
(0.631)	Gross Income	(66.010)	(66.389)	(0.379)
6.490		33.890	40.829	6.939



The forecast overspend includes an estimated pay award pressure of circa £366,000 based on the now finalised pay offer for 2022.

The significant spend pressure trends highlighted in both the Period 4 – July 2022 report and the Period 6 – September 2022 report have continued and unfortunately have actually increased further in this latest updated forecast.

External foster care placements throughout 2022/23 have continued to slightly increase. The major concern has been the increased reliance on independent residential care placements in 2022/23, including some very high cost and complex cases. The external residential care market is also short of supply and this is increasing the prices paid by all Local Authorities nationally for this service. This spend pressure has continued to increase between Period 6 to Period 8, mainly due to some previous existing foster care placement breakdowns for children with complex needs who have therefore now required an alternative independent placement provision within residential care.

Expensive independent placement costs continue to be the main causes of the overall forecast overspend. Discussions are being undertaken to seek to reduce these costs where possible, but the safety and wellbeing of the child will remain of paramount importance. All packages are also being reviewed to see if the individual needs of any child meets the eligibility criteria to receive a financial contribution from our Health partners.

Building and sustaining capacity within our in-house foster carer provision remains a top priority, together with wider engagement regionally given the risks and ever increasing costs of the independent residential care market.

Other financial pressures within Children Services for 2022/23 have remained at around the same level as reported at Period 6. This includes continued reliance on temporary agency staff to cover critical social work or operational posts and some high cost complex placements within the care leaver provision. There is also smaller pressures on Unaccompanied Asylum Seeking Children placements where young adults have now turned 18 and Home Office support funding reduces and the cost of placements supporting children with disabilities.

Economic Recovery, Regeneration and Housing

19.78%

of Total Gross Revenue
Service Budget

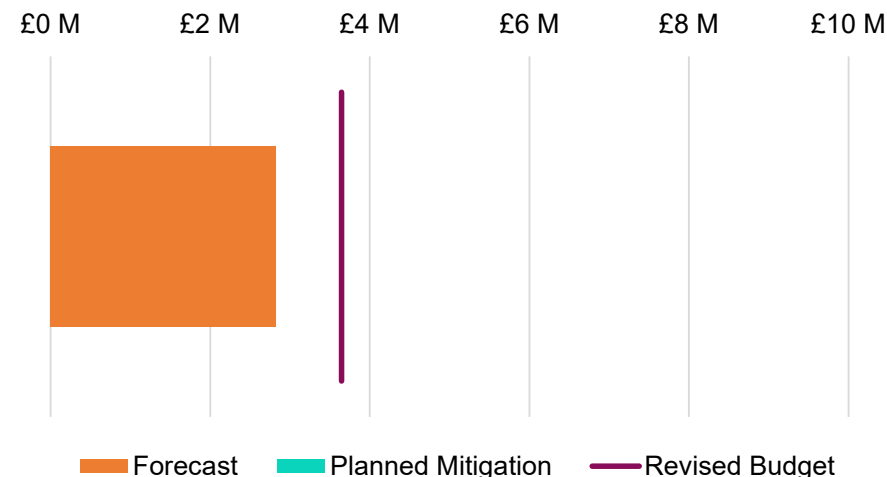
(£0.8M)

Forecast Favourable Variance

-22.68%

Variance as % of Net Portfolio
Service Budget Envelope

Last Reported Variance £M	Service Area	Revised Budget £M	Forecast Outturn £M	Variance £M
(0.418)	Homelessness and Rough Sleeping	0.360	(0.045)	(0.405)
(0.158)	Housing Benefit	1.625	1.467	(0.158)
0.025	Housing Management	0.070	0.061	(0.009)
(0.079)	Housing Strategy	0.459	0.334	(0.125)
(0.043)	Private sector housing standards and grants	0.530	0.451	(0.079)
0.000	Queensway Development	0.000	0.000	0.000
(0.057)	Regeneration and Business Growth	0.602	0.551	(0.051)
(0.730)		3.646	2.819	(0.827)
0.150	Gross Expenditure	66.203	66.263	0.060
(0.880)	Gross Income	(62.557)	(63.445)	(0.888)
(0.730)		3.646	2.818	(0.828)



The forecast includes an estimated pay award pressure of circa £136,000 based on the now finalised pay offer for 2022.

A proactive approach to managing all non-critical staff vacancies across the Portfolio continues which is contributing to the positive overall financial performance. There is also some extra income expected for the additional administration of the Essential Living Fund on behalf of Essex County Council by our Benefits Team.

A number of positions in the Housing team had proved difficult to permanently recruit too earlier in the financial year which contributed significantly to the forecast underspending on this Service. Some agency staff had to be engaged to backfill critical roles initially but it is now pleasing to report that several roles have now been appointed to on a permanent basis. The Council has received confirmation that the Homelessness Prevention Grant can be used to directly fund a proportion of this core base staffing budget for 2022/23. Despite significant pressure on this portfolio of services, they are continuing to make a vital contribution to reducing the overall forecast overspend for the Council in 2022/23.

Highways, Transport and Parking

3.64%

of Total Gross Revenue
Service Budget

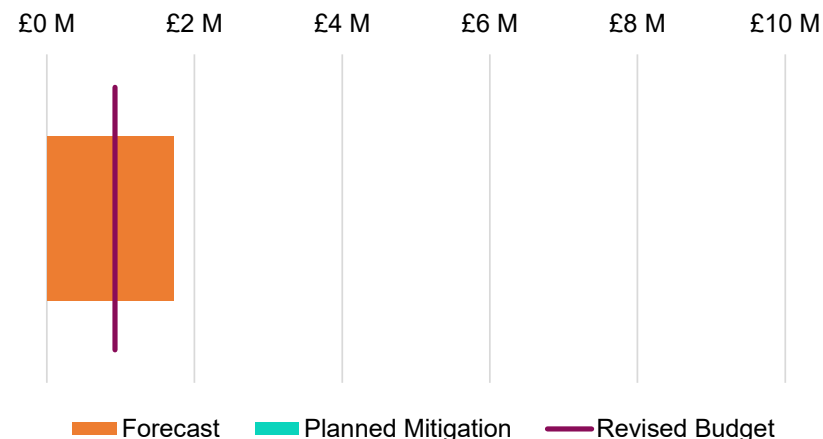
£0.8M

Forecast Adverse Variance

86.12%

Variance as % of Net Portfolio
Service Budget Envelope

Last Reported Variance £M	Service Area	Revised Budget £M	Forecast Outturn £M	Variance £M
0.453	Car parks and all car parking matters	(7.601)	(7.147)	0.454
(0.150)	Concessionary Fares	2.939	2.509	(0.430)
(0.010)	Engineering (Bridges and Structures)	0.051	0.041	(0.010)
0.627	Highways (including maintenance)	3.819	4.492	0.673
(0.035)	Highways and Transport	(0.344)	(0.373)	(0.029)
0.058	Passenger Transport / Vehicle Fleet	0.328	0.372	0.044
0.120	Public Transport	0.072	0.192	0.120
(0.039)	Transport (including Transport Policy and Licensing)	1.658	1.630	(0.028)
1.024		0.922	1.716	0.794
1.102	Gross Expenditure	12.170	13.107	0.937
(0.078)	Gross Income	(11.248)	(11.391)	(0.143)
1.024		0.922	1.716	0.794



Parking income remains on target this year, in part due to the warm dry weather we experienced earlier in the year which brought tourists and residents to our beaches and City Centre. The transition to payments by phone and card instead of cash in our car parks continues to increase. These significant volume changes began just after the pandemic and these transaction methods are resulting in additional card processing costs being incurred by the Council. Security costs at the University Square car park also continue to bring a budget pressure.

The majority of the pressure in Highways (including maintenance) relates to the utility costs for street lighting. The Council undertook a significant conversion programme to LED which has reduced the amount of energy consumed. This proactive action has helped to minimise this energy cost pressure.

Security and utilities costs continue to bring cost pressures at the Travel Centre in Chichester Road and the impact of this arrangement is currently under review.

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. A comprehensive analysis has now been completed for Period 8 and the estimated position by the end of the year is now forecast to reduce further based on updated usage numbers. This is the major contribution to the improved forecast outturn now being reported at Period 8 for 2022/23.

Housing Revenue Account

£0.3M

Forecast Adverse Variance

1.1%

Variance as % of Gross Operating Expenditure

Last Reported Variance £M	Service Area	Revised Budget £M	Forecast Outturn £M	Variance £M
0.000	Gross Expenditure	27.908	28.108	0.200
0.300	Gross Income	(30.447)	(30.347)	0.100
0.300	NET OPERATING EXPENDITURE	(2.539)	(2.239)	0.300
0.000	Revenue Contribution to Capital	8.309	8.309	0.000
(0.300)	Contribution to / (from) Earmarked Reserves	(5.770)	(6.070)	(0.300)
0.000	TOTAL	0.000	0.000	(0.000)

HRA Reserves 2022/23	Opening Balance	Forecast Movement	Closing Balance
Capital Investment Reserve	25.3	(8.0)	17.3
Major Repairs Reserve	8.0	4.1	12.0
Repairs Contract Pension Reserve	0.7	0.1	0.8
HRA Reserve	3.5	0.0	3.5
HRA Reserves Total	37.5	(3.9)	33.6

Inflationary pressures being experienced within the construction sector are escalating to unprecedented levels right across the UK, the south east of England is being particularly adversely affected. This is compounded by the declining availability of materials and the shortage of specialist skills.

All contractors and key suppliers delivering services to South Essex Homes have been forced to respond to these market forces and in order to maintain services at a viable level have increased their charges accordingly. Another major challenge is that due to the current climate the market for repairs and maintenance contractors nationally is shrinking with procurement of new arrangements resulting in either no bids being received or responses being inflated to unprecedented high price levels.

The Council via South Essex Homes have an obligation to ensure people are kept safe, receive the support they need, and to discharge our statutory and regulatory obligations in a climate where financial resources continue to be pressurised. As reported earlier in the year it is anticipated that the inflation pressure on our repairs and maintenance contract will be approximately £0.5M higher in 2022/23. This budget increase to £27.908M was agreed as part of the Period 4 report and this increase will be funded from HRA reserves. Analysis of all requirements will continue in an attempt to assess if any reductions to the programme can be made without compromising the safety of our tenants and ensure that we continue to meet our statutory requirements.

The additional £0.2M pressure on expenditure reported at Period 8 is due to the confirmation of the delayed pay award for 2022/23. The remaining pressure of £0.1M on income is in respect of the anticipated rent loss on a number of void properties, mainly at Queensway. This income forecast has improved since Period 6, due to improved turnaround times for re-letting across the rest of the housing stock. Significant pressures relating to energy costs incurred by South Essex Homes, in effect on behalf of our tenants has also been highlighted. A report was considered by Cabinet in November 2022 which illustrated the implications. Some pressures are emerging around rent and service charge collection rates, given the cost of living pressures on tenants, but this was anticipated when setting the budget. South Essex Homes are continuing to provide advice and support wherever possible and early intervention is helping to minimise the impact.