

Appendix 2

Budget Monitoring & Reporting 2023/2024

Period 08 - November 2023 Revenue Budget Performance



Summary

Last Reported Variance £M	Portfolio	Revised Budget £M	Forecast Outturn £M	Variance £M
0.780	Leader: SEND	18.006	18.678	0.672
0.465	Deputy Leader: Environment	20.618	21.059	0.441
5.355	Adult Social Care, Health, Public Health, and Constitutional Affairs	63.338	67.795	4.457
0.080	Arts, Culture, Heritage and Leisure	4.566	4.696	0.130
7.159	Childrens Services, Education and Learning	34.601	41.587	6.986
0.268	Community Safety and Public Protection	2.029	2.211	0.182
(0.019)	Economic Growth and Investment	1.263	1.224	(0.039)
0.649	Highways, Transport and Parking	0.290	0.782	0.492
(0.299)	Housing and Planning	4.286	4.086	(0.200)
0.312	Regulatory Services	2.540	2.925	0.385
14.750		151.537	165.043	13.506
(3.183)	Corporate Budgets	20.847	14.425	(6.422)
11.567		172.384	179.468	7.084
0.000	Contribution to / (from) earmarked reserves	(8.622)	(8.622)	0.000
0.000	Revenue Contribution to Capital	0.471	0.471	0.000
0.000	Non Service Specific Grants	(19.896)	(19.896)	0.000
11.567	TOTAL	144.337	151.421	7.084
(0.800)	Funding (including Collection Fund)	(143.337)	(144.137)	(0.800)
0.000	Planned contributions from reserves	(1.000)	(1.000)	0.000
10.767		0.000	6.284	6.284

Sources of funding



Portfolio services are forecast to overspend by **£13.506m**, an improvement of **£1.244m** on the position reported at September 2023 (Period 6). An analysis of these variances are explained in more detail over the following pages. The net overall forecast overspend has reduced to **£6.284m**, an overall improvement of **£4.483m** on the position reported at September 2023 (Period 6).

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 has now been received and the one-off benefit of £400,000 is shown in the Corporate Budgets line.

It is estimated that £450,000 of the provision for CPI % increases on existing contracts and rises in energy costs will not be required in 2023/24, £2.5m of the original £2.950m provision has been allocated to services.

The Local Government Pay Award April 2023 was confirmed in November; employees on salary scale points 3 to 41 received a fixed increase of £1,925, employees on salary scale point 42 and above received an increase of 3.88%. £3.659m has been allocated to services to fund this pay award and staff received their backpay on 1 December 2023. The Senior Management pay award has not been implemented yet and there are some other pay scales where the pay award is still outstanding, £250,000 is earmarked for these costs. It is estimated that £500,000 of the original £4.425m provision will not be required in 2023/24.

Forecast outturn for investment income is 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. However, there is also a forecast adverse variance arising from the effect of increased interest rates on the recharges of interest receivable and payable between the GF and the HRA. A comprehensive review of the Minimum Revenue Provision policy has highlighted savings options that can be achieved by re-profiling the provision for repayments of debt through the General Fund.

The overall net forecast favourable variance on Corporate Budgets of (£6.422m) includes all the items outlined above.

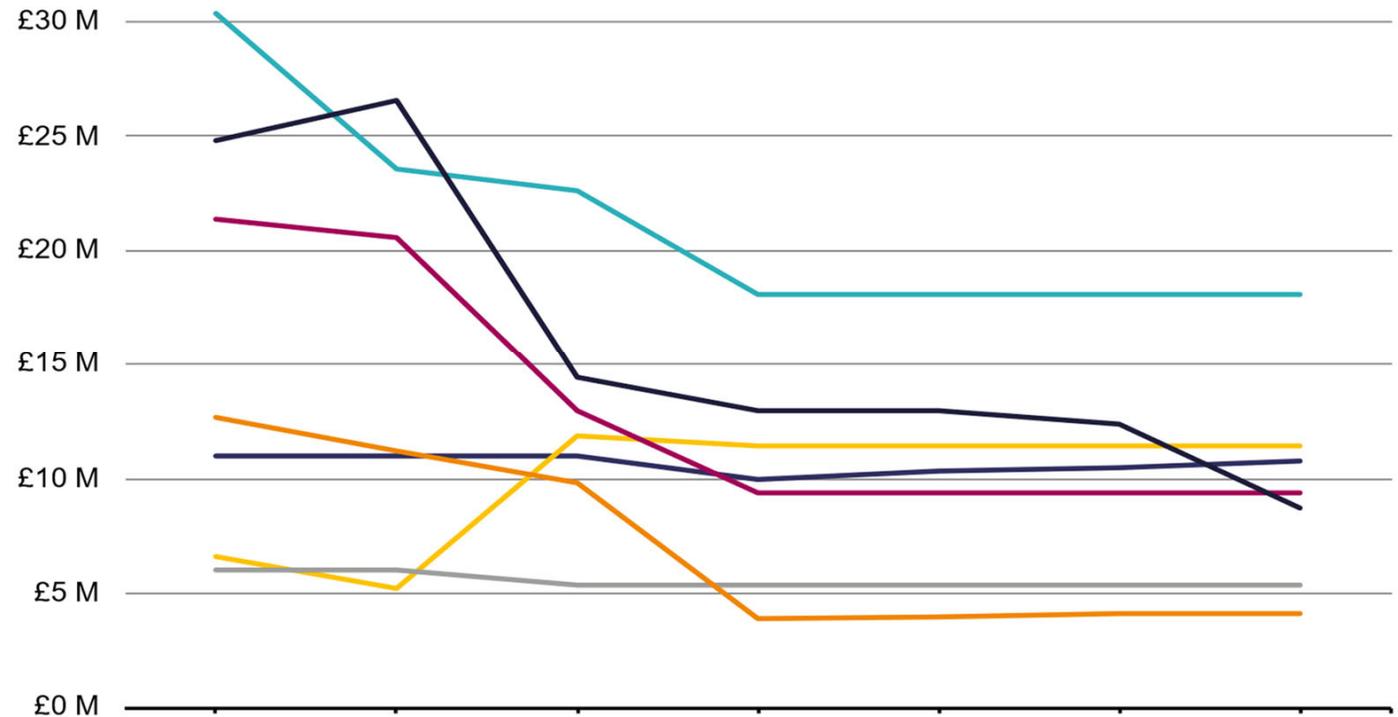
The Council is also estimating to receive a circa £800k benefit in 2023/24 as part of its continued participation in the Essex Business Rates Pool. This is shown as part of the Funding line in the table above.

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.

The forecast outturn for 2023/24 has been reflected in our Reserves position with the potential use of £6.284M to meet the current forecast overspend.

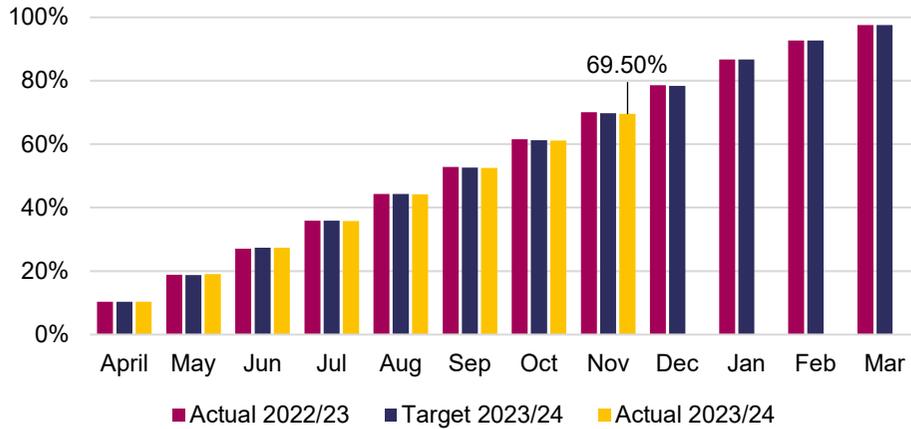


Reserves in £M	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
General Reserves	11.0	11.0	11.0	10.0	10.3	10.5	10.8
Capital Reserves	6.6	5.2	11.9	11.4	11.4	11.4	11.4
Corporate Reserves	21.4	20.6	13.0	9.4	9.4	9.4	9.4
Grant Reserves	30.4	23.6	22.6	18.1	18.1	18.1	18.1
Insurance Reserves	6.0	6.0	5.4	5.4	5.4	5.4	5.4
Service Reserves	12.7	11.2	9.8	3.9	4.0	4.1	4.1
Technical Reserves*	24.8	26.6	14.4	13.0	13.0	12.4	8.7
	112.9	104.2	88.1	71.2	71.6	71.3	67.9

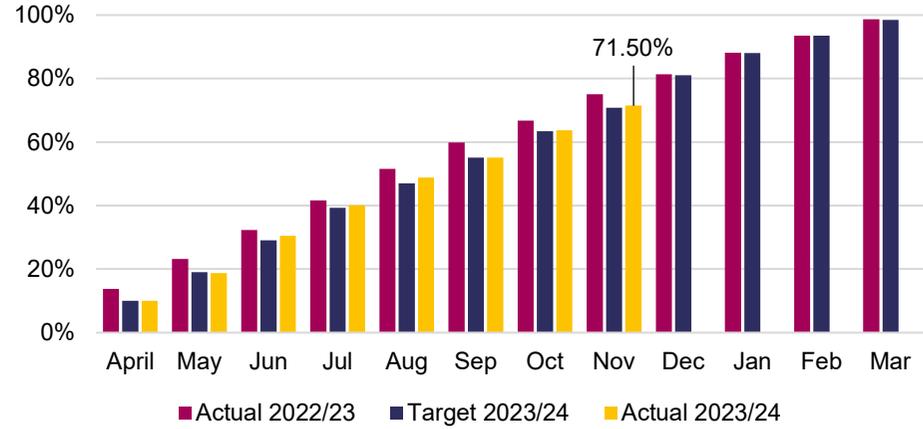
* Technical Reserves are held to even out the Council's finances and reduce in year volatility

Collection Rates

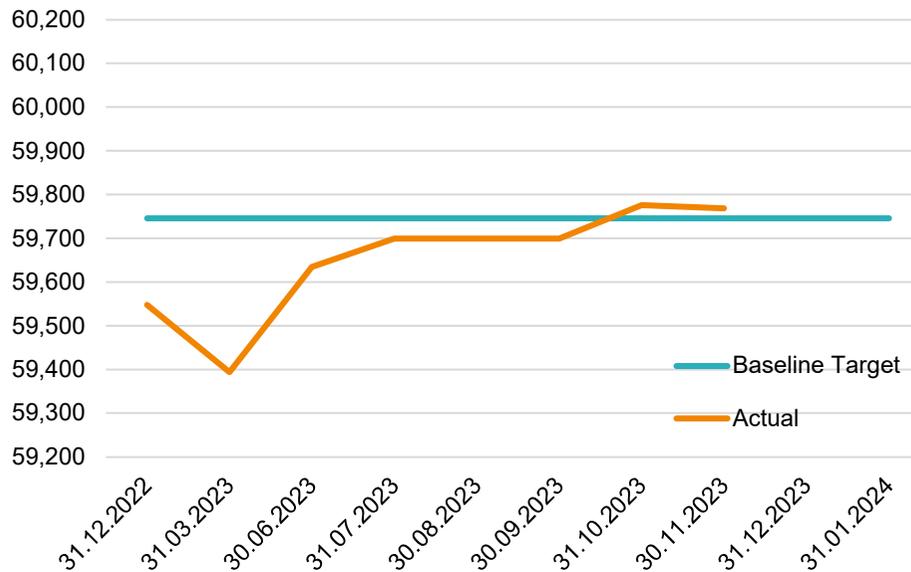
Council Tax Collection



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 22 Band D equivalent properties.

Council Tax collection is 0.2% (£239k) 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 0.7% (£255k) higher than the current year target for the period, increasing confidence that the year-end collection can be achieved.

Leader: SEND

12.10%

of Total Gross Revenue
Service Budget

£0.7M

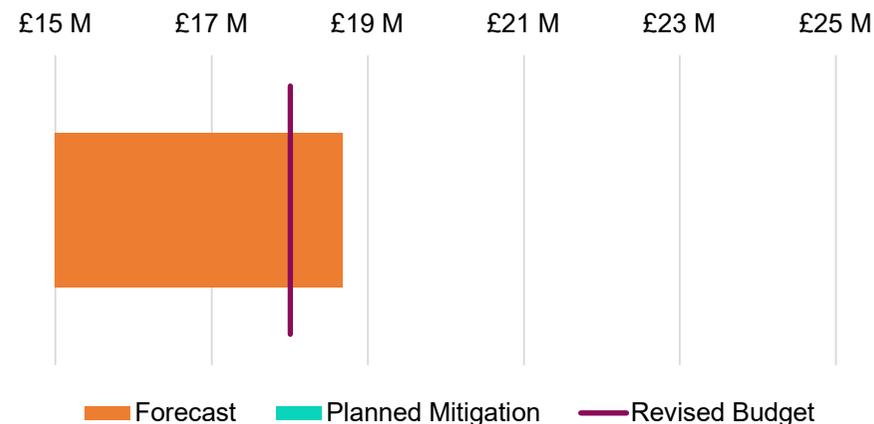
Forecast Adverse Variance

3.73%

Variance as % of Net Portfolio
Service Budget Envelope

Last Reported Variance £M	Service Area	Revised Budget £M	Forecast Outturn £M	Variance £M
0.150	Children with a special educational need and disability (SEND)	4.061	4.191	0.130
0.000	Home to School Transport Contract	2.613	2.613	0.000
0.116	Passenger Transport / Vehicle Fleet	0.220	0.336	0.116
(0.215)	Audit	0.833	0.622	(0.211)
0.026	Civic Affairs	1.108	1.118	0.010
(0.014)	Corporate Budget and Resources Planning	0.877	0.907	0.030
0.099	Corporate Planning and Strategic Directio	1.766	1.829	0.063
0.065	Council Tax and Business Rates	0.232	0.310	0.078
0.301	Human Resources	1.881	2.050	0.169
(0.137)	Learning and Workforce Development	0.847	0.710	(0.137)
(0.032)	Performance Delivery	1.566	1.493	(0.073)
0.000	Transformation	0.257	0.257	0.000
0.000	Emergency Planning and Business Continuity	0.260	0.260	0.000
0.422	Legal Services & Land Charges	1.486	1.982	0.496
0.781		18.007	18.678	0.671

Last Reported Variance £M		Revised Budget £M	Forecast Outturn £M	Variance £M
0.636	Gross Expenditure	43.845	44.536	0.691
0.145	Gross Income	(25.838)	(25.858)	(0.020)
0.781		18.007	18.678	0.671



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 remained static since the last position was reported at September 2023 (Period 6).

The forecast position for Human Resources has improved by £132,000 since the last report at September 2023 (Period 6). £104,000 is associated with the successful renegotiation of commission for the Hays contract, this benefit is distributed across the organisation through reduced commission on individual agency placements.

The interim Director of Legal Services (Monitoring Officer) has been in post since the beginning of September and is undertaking a full service restructure. While this goes through the necessary approval and consultation some agency costs continue to be incurred. There is also some long-term sickness in the team which is causing a budget pressure. The combined effect of these has increased the forecast by £81,000 since the last position was reported in September 2023 (Period 6).

Forecast income from Local Land Charges has remained stable since the forecast was produced for September 2023 (Period 6). The underspend on staffing to partially offset this pressure continues and the overall forecast for the service has improved by £8,000.

Deputy Leader: Environment

6.08%

of Total Gross Revenue
Service Budget

£0.4M

Forecast Adverse Variance

2.14%

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	0.562	0.490	(0.072)
(0.004)	Cleansing of highways and public realm	1.749	1.745	(0.004)
(0.010)	Climate Change, Renewable Energy and Energy Saving	0.201	0.200	(0.001)
0.040	Parks and Open Spaces, Grounds Maintenance	5.162	5.175	0.013
0.461	Waste collection, disposal, management, recycling & sanitation	12.945	13.450	0.505
0.465		20.619	21.060	0.441
0.089	Gross Expenditure	22.043	22.095	0.052
0.376	Gross Income	(1.424)	(1.035)	0.389
0.465		20.619	21.060	0.441



The small increase in the forecast overspend reported at September 2023 (Period 6) for waste is based on a slight increase in the estimated tonnage of residual waste and an anticipated reduction in the volume of food waste which generates an income. 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 position on the trees and verges budget has improved due to the benefit of merging two contracts together and the team managing the volume of works undertaken by prioritising emergency works only.

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

29.18%

of Total Gross Revenue
Service Budget

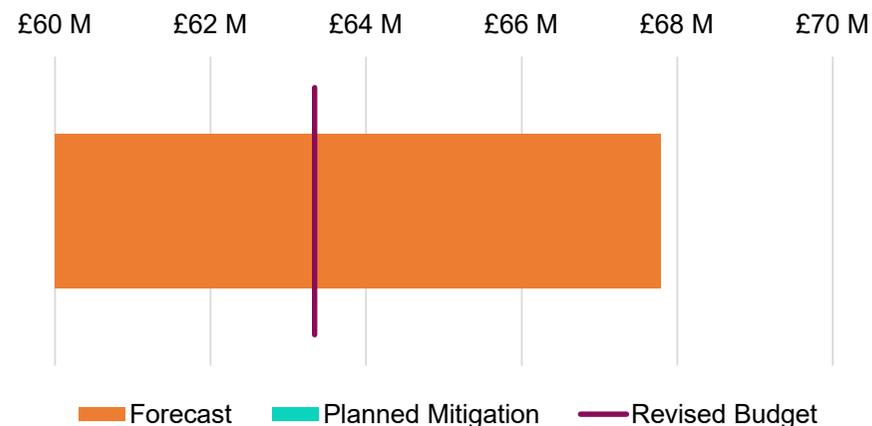
£4.46M

Forecast Adverse Variance

7.04%

Variance as % of Net Portfolio Service
Budget Envelope

Last Reported Variance £M	Service Area	Revised Budget £M	Forecast Outturn £M	Variance £M
4.922	Adult Social Care	42.029	46.580	4.551
(0.509)	Commissioning	4.030	3.428	(0.602)
0.016	Community Cohesion and community assets	0.017	0.033	0.016
0.062	Customer Contact	5.228	5.519	0.291
0.411	Digital and Technology	5.001	5.392	0.391
0.000	Domestic Abuse (Social Aspects)	0.068	0.068	0.000
0.376	Mental Health Services	5.035	5.358	0.323
0.000	Public Health	0.218	0.218	0.000
0.078	Democratic Services	0.825	0.812	(0.013)
0.000	Transformation	0.888	0.388	(0.500)
5.356		63.339	67.796	4.457
6.961	Gross Expenditure	105.779	112.490	6.711
(1.605)	Gross Income	(42.440)	(44.694)	(2.254)
5.356		63.339	67.796	4.457



Adult Social Care reports a reduction in the overall forecast outturn, this is primarily due to the anticipated reclaim of un-utilised Direct Payment account balances. Due diligence is being undertaken to ensure that this has no impact on the Service User. The underlying pressure continues to relate to the provision of statutory care, particularly around the cost of support to older people, both in residential settings and home care packages. A combination of an increase in both complexity and costs of individual care packages continues.

An additional £60,000 saving is reflected in Commissioning as part of the allocation of eligible spend against government grants.

The Digital and Technology team has decreased the likely shortfall on income further since last reporting at September 2023 (Period 6), this has been offset by a small increase in the forecast for employee costs. The combined impact is an improvement of £20,000.

The Mental Health Service has now transferred back to the council and all care packages are being reviewed to ensure that they are up to date, on the Council's system and appropriate for the service users' social care needs.

At budget setting £1.0M was allocated to cover increased costs of licenses under the transformation heading, it is now estimated that £0.5m of this will not be required in 2023/24.

Arts, Culture, Heritage and Leisure

1.93%

of Total Gross Revenue
Service Budget

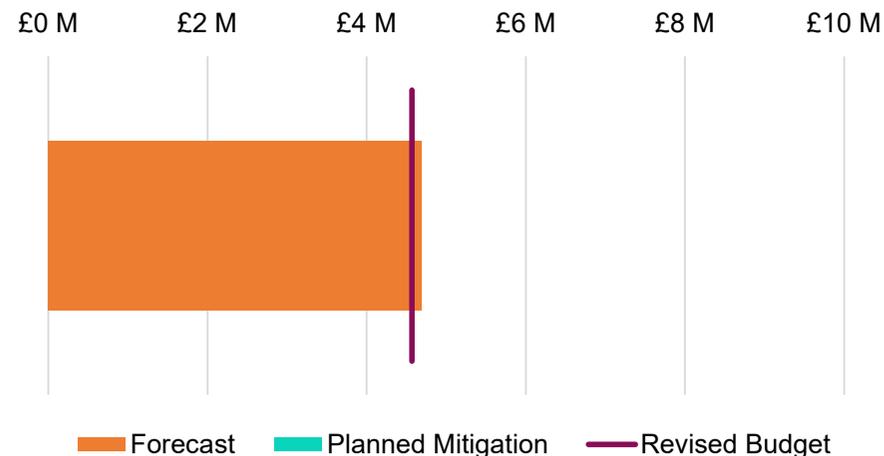
£0.1M

Forecast Adverse Variance

2.85%

Variance as % of Net Portfolio Service
Budget Envelope

Last Reported Variance £M	Service Area	Revised Budget £M	Forecast Outturn £M	Variance £M
(0.002)	Museums and Galleries, Theatres and Libraries	4.249	4.297	0.048
0.074	Pier and Foreshore	0.434	0.508	0.074
0.008	Sport Development	(0.116)	(0.108)	0.008
0.080		4.567	4.697	0.130
0.080	Gross Expenditure	6.989	7.163	0.174
0.000	Gross Income	(2.422)	(2.466)	(0.044)
0.080		4.567	4.697	0.130



Museums and Galleries, Theatres and Libraries now includes a forecast of 0.5FTE of the Director role, which at September 2023 (Period 6) was forecast to remain vacant for the remainder of the year, along with £25,000 of recruitment costs for the role.

The Pier and Foreshore, which encompasses the Pier, the Foreshore, Visitor Information, Cliff Lift and the Pier Approaches continues to forecast a small overspend. This net reported position at the end of November 2023 is a result of a combination of additional Pier income due to higher visitor numbers in the summer, offset by additional staffing costs across the service and other premises related expenses.

Childrens Services, Education and Learning

22.84%

of Total Gross Revenue
Service Budget

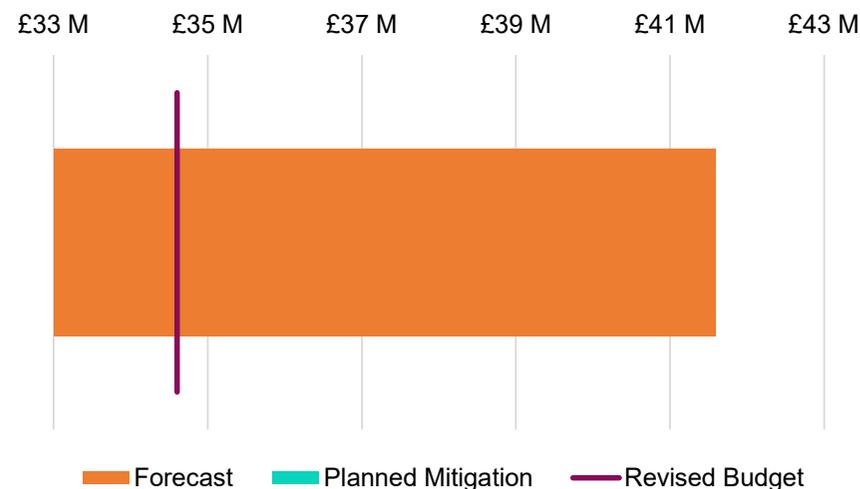
£7.0M

Forecast Adverse Variance

20.19%

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
7.368	Children's Services	30.221	37.243	7.022
(0.050)	Family Centre, Early Years and Childcare	1.252	1.187	(0.065)
(0.235)	Schools, Education and Learning	1.580	1.345	(0.235)
0.050	Youth and Connexions	0.829	0.874	0.045
0.026	Youth Justice Service	0.590	0.809	0.219
7.159		34.602	41.588	6.986
8.051	Gross Expenditure	82.775	90.678	7.903
(0.892)	Gross Income	(48.173)	(49.090)	(0.917)
7.159		34.602	41.588	6.986



As reported in July and September, the significant spend pressure trend continued 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 pressures within Children Services for 2023/24 (as reported in July and September) 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 an even further confirmed pressure on secure remand placements where the grant level now received for 2023/24 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 do remain a very volatile spend area.

Whilst significant financial pressure remains across the portfolio directorate of Children Services, within Education and Learning the position has improved and reduced by a further (£173,000) from September 2023 (Period 6) and this is mainly due to where Children Services have continued to intensely review and reduced spend pressure within supported accommodation placements where young adults 18+ who were previous care experienced children have transitioned safely into adults, and some further pressure has also reduced on the national transfer scheme where those now young adults have achieved status .

Community Safety and Public Protection

1.22%

of Total Gross Revenue
Service Budget

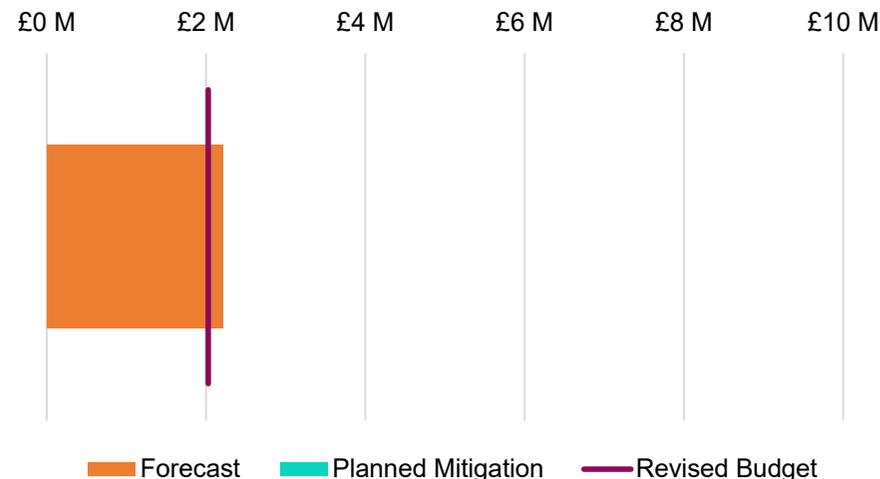
£0.2M

Forecast Adverse Variance

8.97%

Variance as % of Net Portfolio Service
Budget Envelope

Last Reported Variance £M	Service Area	Revised Budget £M	Forecast Outturn £M	Variance £M
0.097	Closed Circuit Television	0.522	0.624	0.102
(0.050)	Community Safety	0.891	0.823	(0.068)
0.001	Drugs and Alcohol Service	0.096	0.096	0.000
0.220	Public Toilets	0.397	0.545	0.148
0.000	Town Centre Management	0.123	0.123	0.000
0.268		2.029	2.211	0.182
0.089	Gross Expenditure	4.426	4.440	0.014
0.179	Gross Income	(2.397)	(2.229)	0.168
0.268		2.029	2.211	0.182



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. The position has improved since September 2023 (Period 6) due to a reduction in the forecast repairs and maintenance pressure by £25,000 and the receipt of a credit note for water charges after investigation by the team.

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 guaranteed additional income.

Economic Growth and Investment

0.38%

of Total Gross Revenue
Service Budget

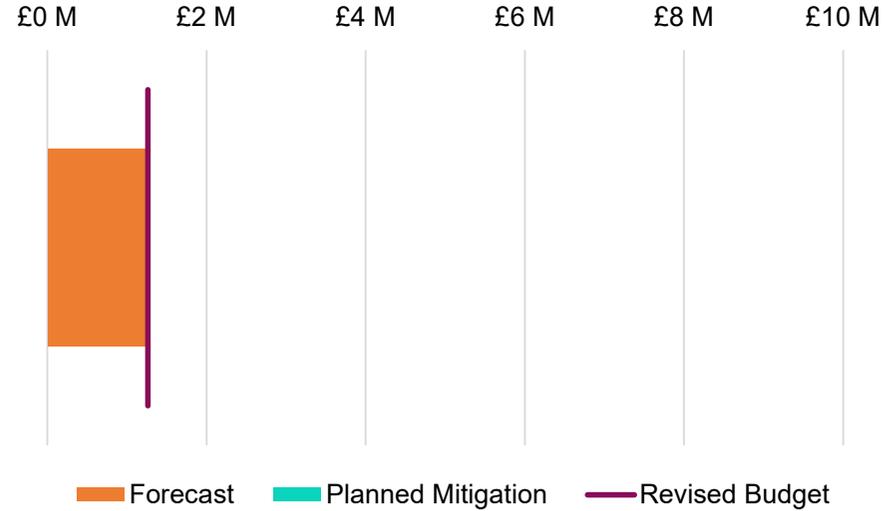
(£0.0M)

Forecast Favourable
Variance

-3.01%

Variance as % of Net Portfolio Service
Budget Envelope

Last Reported Variance £M	Service Area	Revised Budget £M	Forecast Outturn £M	Variance £M
0.042	Marketing (Place Branding/Tourism)	0.460	0.491	0.031
(0.061)	Regeneration and business growth	0.803	0.734	(0.069)
(0.019)		1.263	1.225	(0.038)
(0.019)	Gross Expenditure	1.395	1.336	(0.059)
0.000	Gross Income	(0.132)	(0.111)	0.021
(0.019)		1.263	1.225	(0.038)



There has been no significant movement to comment on since the last report in September 2023 (Period 6).

Highways, Transport and Parking

3.53%

of Total Gross Revenue
Service Budget

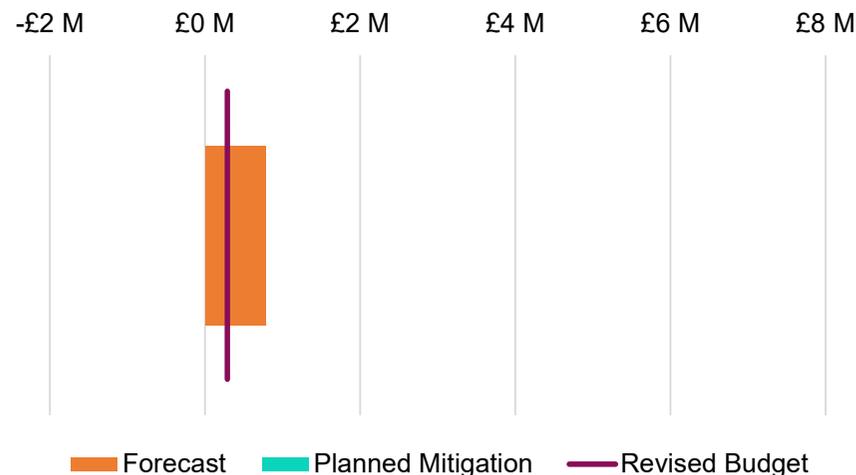
£0.5M

Forecast Adverse Variance

-170.00%

Variance as % of Net Portfolio Service
Budget Envelope

Last Reported Variance £M	Service Area	Revised Budget £M	Forecast Outturn £M	Variance £M
0.987	Car parks and all car parking matters	(8.620)	(7.634)	0.986
(0.550)	Concessionary Fares	2.840	2.290	(0.550)
0.000	Engineering (Bridges and Structures)	0.051	0.051	0.000
0.097	Highways (including maintenance)	4.836	4.798	(0.038)
(0.048)	Highways and Transport	(0.294)	(0.316)	(0.022)
0.143	Public Transport	0.192	0.335	0.143
0.018	Transport (including Transport Policy and Licensing)	1.285	1.259	(0.026)
0.647		0.290	0.783	0.493
1.147	Gross Expenditure	12.809	13.762	0.953
(0.500)	Gross Income	(12.519)	(12.979)	(0.460)
0.647		0.290	0.783	0.493



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 increases 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 additional 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 since September 2023 (Period 6) due to the appropriate utilisation of an external capital grant to fund the replacement of damaged / broken street lighting columns. Ongoing spend pressures in this area include a shortfall in the amount of staff time which is charged to delivering the capital programme which is being offset by additional 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.

The Transport (including Transport Policy and Licensing) position has improved since September 2023 (Period 6) due to the extended vacancy of a post in the team.

Housing and Planning

19.28%

of Total Gross Revenue
Service Budget

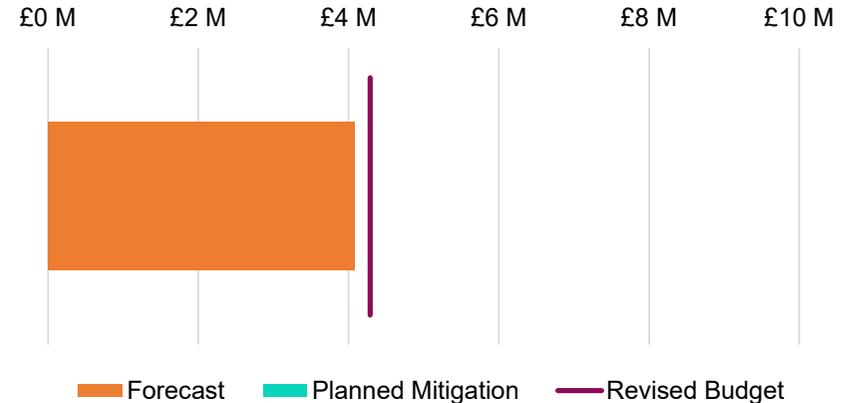
(£0.20M)

Forecast Favourable
Variance

-4.67%

Variance as % of Net Portfolio Service
Budget Envelope

Last Reported Variance £M	Service Area	Revised Budget £M	Forecast Outturn £M	Variance £M
(0.051)	Homelessness and Rough Sleeping	0.404	0.363	(0.041)
(0.187)	Housing Benefit	1.750	1.561	(0.189)
0.000	Housing Management	0.088	0.088	0.000
0.002	Housing Strategy	0.401	0.410	0.009
(0.048)	Planning Policy and Planning Control, Building Control	0.593	0.545	(0.048)
(0.016)	Private sector housing standards and grants	0.620	0.689	0.069
0.000	Queensway Development	0.000	0.000	0.000
0.000	Sea and Foreshore Defences	0.431	0.431	0.000
(0.300)		4.287	4.087	(0.200)
(0.014)	Gross Expenditure	69.888	69.976	0.088
(0.286)	Gross Income	(65.601)	(65.889)	(0.288)
(0.300)		4.287	4.087	(0.200)



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.

Following an internal audit review of the Disabled Facilities Grant, it has been identified that staff time had been capitalised where it does not fully meet the criteria. A detailed review of staff time has now identified a new £87,000 pressure on the Private Sector Housing Standards and Grants Service, that was previously assumed to be capitalised.

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. At year end any residual shortfall in this budget will be funded via the drawdown from the Planning reserve which is earmarked to respond to this volatility in the market.

Regulatory Services

3.46%

of Total Gross Revenue
Service Budget

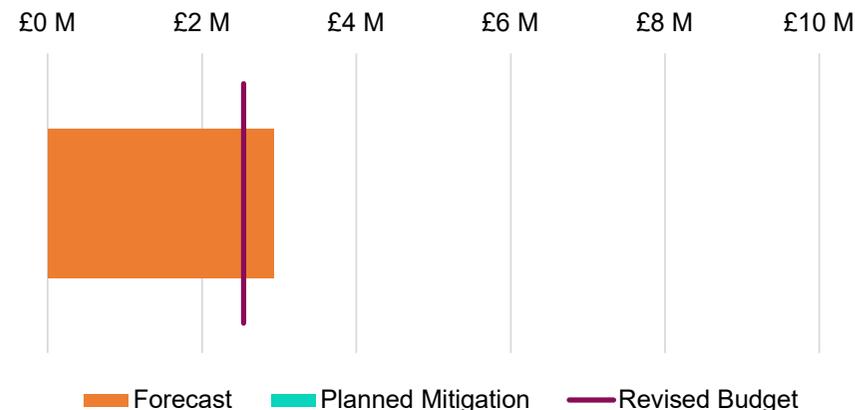
£0.39M

Forecast Adverse Variance

15.21%

Variance as % of Net Portfolio Service
Budget Envelope

Last Reported Variance £M	Service Area	Revised Budget £M	Forecast Outturn £M	Variance £M
(0.229)	Asset Management	0.637	0.450	(0.187)
0.795	Cemeteries, Crematoria and Bereavemen	(1.628)	(0.841)	0.787
0.000	Corporate Procurement	1.056	1.056	0.000
(0.170)	Financial Services (including Insurance etc.)	2.851	2.696	(0.155)
0.065	Property and Commercial	(1.495)	(1.426)	0.069
0.031	Registration Services	(0.122)	(0.091)	0.031
(0.180)	Regulatory services	1.239	1.080	(0.159)
0.312		2.538	2.924	0.386
0.909	Gross Expenditure	12.533	13.506	0.973
(0.597)	Gross Income	(9.995)	(10.582)	(0.587)
0.312		2.538	2.924	0.386



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 and the forecast for this has reduced by around £40,000 since last reporting at the end of September 2023 (Period 6). 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 £635,000. This income reduction is expected to be temporary and when the crematorium is fully operational again it is expected that income levels will return.

Previously reported vacancies in Financial Services are still being held 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 and the forecast underspend has reduced by £15,000 partly as a result of the team working additional hours.

Housing Revenue Account

(£0.7M)

Forecast Favourable Variance

-2.3%

Variance as % of Gross Operating Expenditure

Last Reported Variance £M	Service Area	Revised Budget £M	Forecast Outturn £M	Variance £M
0.180	Gross Expenditure	28.449	29.148	0.699
0.465	Gross Income	(32.556)	(33.921)	(1.365)
0.645	NET OPERATING EXPENDITURE	(4.107)	(4.773)	(0.666)
0.000	Revenue Contribution to Capital	7.384	7.384	0.000
(0.645)	Contribution to / (from) Earmarked Reserves	(3.277)	(2.611)	0.666
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

Since the September 2023 (Period 6) monitoring report, the only anticipated changes in the HRA relate to interest paid on borrowing and interest received on balances. The value of income received is £1.4M higher than that paid out which has improved the HRA forecast position considerably and it is expected that this will be transferred to earmarked reserves at the year end.