

## **OVERVIEW & SCRUTINY COMMITTEE**

### **Tuesday 24th October 2023**

You are invited to attend the next meeting of **Overview & Scrutiny Committee**, which will be held at:

**Council Chamber - Civic Offices**  
on **Tuesday 24th October 2023 at 7.00 pm**

**Georgina Blakemore**  
**Chief Executive**

**Democratic Services Officer:** Laura Kirman Tel: (01992) 564243  
Email: [democraticservices@eppingforestdc.gov.uk](mailto:democraticservices@eppingforestdc.gov.uk)

**Members:** Councillors D Wixley (Chairman), J McIvor (Vice-Chairman), R Baldwin, R Bassett, I Hadley, S Heap, S Heather, H Kane, M Markham, C McCann, C McCredie, S Murray, C Nweke, J Parsons, A Patel, R Pugsley and J H Whitehouse

### **SUBSTITUTE NOMINATION DEADLINE: 6.00PM**

**This meeting will be broadcast live and recorded for repeated viewing.**

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#### **1. WEBCASTING INTRODUCTION**

This meeting is to be webcast and the Chairman will read the following announcement:

“I would like to remind everyone present that this meeting will be broadcast live to the internet and will be capable of subsequent repeated viewing, with copies of the recording being made available for those that request it.

By being present at this meeting, it is likely that the recording cameras will capture your image and this will result in your image becoming part of the broadcast.

You should be aware that this may infringe your human and data protection rights, and if you have any concerns then please speak to the Webcasting Officer.

Please could I also remind Members and Officers to activate their microphones before speaking.”

**2. APOLOGIES FOR ABSENCE**

To be announced at the meeting.

To report non-attendance before the meeting, please use the Members Portal webpage [https://eppingforestdc-self.achieveservice.com/service/Member\\_Contact](https://eppingforestdc-self.achieveservice.com/service/Member_Contact) to ensure your query is properly logged.

Alternatively, you can access the Members portal from the front page of the Council's website, at the bottom under 'Contact Us'  
<https://www.eppingforestdc.gov.uk/your-council/members-portal/>

**3. SUBSTITUTE MEMBERS**

To report the appointment of any substitute members for the meeting.

**4. DECLARATIONS OF INTEREST**

To declare interests in any item on the agenda.

In considering whether to declare a pecuniary or a non-pecuniary interest under the Council's Code of Conduct, Members are requested to pay particular attention to paragraph (11) of the Code in addition to the more familiar requirements.

This requires the declaration of a non-pecuniary interest in any matter before Overview & Scrutiny which relates to a decision of or action by another Committee or Sub-Committee of the Council, a Joint Committee or Joint Sub-Committee in which the Council is involved and of which the Councillor is also a Member.

Paragraph (11) of the Code of Conduct does not refer to Cabinet decisions or attendance at an Overview & Scrutiny meeting purely for the purpose of answering questions or providing information on such a matter.

**5. MINUTES (Pages 6 - 12)**

To confirm the minutes of the meeting of the Committee held on 18 July 2023.

**6. MATTERS ARISING AND OUTSTANDING ACTIONS**

To consider any matters arising and outstanding actions from the minutes of the previous meeting(s) that are not covered elsewhere in this agenda.

**7. PUBLIC QUESTIONS & REQUESTS TO ADDRESS THE OVERVIEW AND SCRUTINY COMMITTEE**

(Democratic & Electoral Services Team Manager) To receive questions submitted by members of the public and any requests to address the Committee, in accordance with Article 6 (Overview and Scrutiny) of the Council's Constitution.

**(a) Public Questions**

Members of the public may ask questions of the Chairman of Overview and Scrutiny Committee at ordinary meetings of the Committee, in accordance with the procedure set out in the Constitution.

**(b) Requests to address the Overview and Scrutiny Committee**

Any member of the public or a representative of another organisation may address the Overview and Scrutiny Committee on any agenda item (except those dealt with in private session as exempt or confidential business), due to be considered at the meeting.

**8. EXECUTIVE DECISIONS - CALL-IN**

To consider any matter referred to the Committee for decision in relation to a call-in, in accordance with Article 6 (Overview and Scrutiny) of the Council's Constitution.

**9. LOCAL COUNCIL TAX SUPPORT SCHEME 2024/25 (Pages 13 - 21)**

To consider and comment on the draft Cabinet report relating to Local Council Tax Support Scheme 2024/25.

**10. QUARTER 1 BUDGET MONITORING REPORT 2023/24 (Pages 22 - 45)**

To consider the attached Quarter 1 Budget Monitoring Report 2023/24.

**11. QUARTER 2 BUDGET MONITORING REPORT 2023/24 (REPORT TO FOLLOW)**

REPORT TO FOLLOW

**12. MEDIUM TERM FINANCIAL PLAN 2024/25 – 2028/29 (Pages 46 - 67)**

To consider the Updated Medium-Term Financial Plan 2024/25 to 2028/29.

**13. CAPITAL PROGRAMME UPDATE 2024/25 – 2028/29 (Pages 68 - 78)**

To consider the Capital Programme Update 2024/25 to 2028/29.

**14. CORPORATE PLAN - 2023/24 QUARTER 1 PERFORMANCE REPORT (REPORT TO FOLLOW)**

REPORT TO FOLLOW

**15. CHAIRMEN TO REPORT ON THEIR SELECT COMMITTEE BUSINESS (Pages 79 - 83)**

(Chairmen of the Scrutiny Committees) To report to the meeting on progress against achievement of the current work programme, as required under Article 6 (Overview and Scrutiny) of the Constitution, and for any recommendations for consideration by the Overview and Scrutiny Committee. The current work programme for each scrutiny committee is included in this agenda.

**16. OVERVIEW AND SCRUTINY COMMITTEE - WORK PROGRAMME**

Progress towards the achievement of the work programme for the Overview and Scrutiny Committee is reviewed at each meeting.

**(a) Current Work Programme**

The current work programme for the Committee is attached as an appendix to this agenda.

**(b) Reserve Programme**

A reserve list of scrutiny topics is developed as required, to ensure that the work flow of overview and scrutiny is continuous. When necessary, the Committee will allocate items from the list appropriately, once resources become available in the work programme, following the completion of any ongoing scrutiny activity.

Members can put forward suggestions for inclusion in the work programme or reserve list through the adopted PICK process. Existing review items will be dealt with first, after which time will be allocated to the items contained in the reserve work plan.

**17. CABINET BUSINESS (Pages 84 - 92)****Recommendation:**

**That the Committee review the Executive's current programme of Key Decisions to enable the identification of appropriate matters for the overview and scrutiny work programme and the overview of specific decisions proposed to be taken over the period of the plan.**

Article 6 (Overview and Scrutiny) of the Constitution requires that the Committee review the Executive's programme of Key Decisions (the Cabinet Forward Plan) at each meeting, to enable the identification of appropriate matters for the overview and scrutiny work programme and to provide an opportunity for the overview of specific decisions proposed to be taken over the period of the plan.

The Constitution (Article 14 (Decision Making)) defines a Key Decision as an executive decision which:

- (a) involves expenditure or savings of £250,000 or above which are currently within budget and policy;
- (b) involves expenditure or savings of £100,000 or above which are NOT currently within budget and policy;
- (c) is likely to be significant in terms of its effect on communities living or working in an area comprising two or more wards;
- (d) raises new issues of policy;
- (e) increases financial commitments (i.e. revenue and/or capital) in future years over and above existing budgetary approval;
- (f) comprises and includes the publication of draft or final schemes which may require, either directly or in relation to objections to, the approval of a Government Minister; or
- (g) involves the promotion of local legislation.

Wherever possible, Portfolio Holders will attend the Committee to present forthcoming key decisions, to answer questions on the forward plan and to indicate where appropriate work could be carried out by overview and scrutiny on behalf of the Cabinet.

**18. EXCLUSION OF PUBLIC AND PRESS**Exclusion

(Democratic & Electoral Services Team Manager) To consider whether, under Section 100(A)(4) of the Local Government Act 1972, the public and press should be excluded from the meeting for the items of business set out below on grounds that they will involve the likely disclosure of exempt information as defined in the following paragraph(s) of Part 1 of Schedule 12A of the Act (as amended) or are confidential under Section 100(A)(2):

<b>Agenda Item No</b>	<b>Subject</b>	<b>Exempt Information Paragraph Number</b>
Nil	Nil	Nil

The Local Government (Access to Information) (Variation) Order 2006, which came into effect on 1 March 2006, requires the Council to consider whether maintaining the exemption listed above outweighs the potential public interest in disclosing the information. Any member who considers that this test should be applied to any currently exempted matter on this agenda should contact the proper officer at least 24 hours prior to the meeting.

Background Papers

(Democratic & Electoral Services Team Manager) Article 17 - Access to Information, Procedure Rules of the Constitution define background papers as being documents relating to the subject matter of the report which in the Proper Officer's opinion:

- (a) disclose any facts or matters on which the report or an important part of the report is based; and
- (b) have been relied on to a material extent in preparing the report and does not include published works or those which disclose exempt or confidential information and in respect of executive reports, the advice of any political advisor.

The Council will make available for public inspection for four years after the date of the meeting one copy of each of the documents on the list of background papers.

# Agenda Item 5

## EPPING FOREST DISTRICT COUNCIL OVERVIEW & SCRUTINY COMMITTEE MEETING MINUTES

Tuesday 18 July 2023, 7.00 pm – 9.25 pm  
Council Chamber - Civic Offices

<b>Members Present:</b>	Councillors D Wixley (Chairman) J McIvor (Vice-Chairman), R Baldwin, S Heather, H Kane, M Markham, C McCann, C McCredie, S Murray, C Nweke, J Parsons, A Patel, R Pugsley, J H Whitehouse, I Hadley and D Stocker
<b>Other Councillors:</b>	Councillors R Balcombe, N Bedford, R Brookes, S Kane, S Patel, J Philip, C Whitbread, H Whitbread, J M Whitehouse and K Williamson
<b>Apologies:</b>	Councillor(s) R Bassett, S Heap and J Lucas
<b>Officers In Attendance:</b>	Andrew Small (Strategic Director, Corporate and Section 151 Officer), Charlotte Graham (Project Team Manager (Performance)), Christopher Hartgrove (Interim Chief Financial Officer), Gill Wallis (Community, Culture & Wellbeing Service Manager), Gary Woodhall (Team Manager - Democratic & Electoral Services), Natalie Cole (Corporate Communications Officer) and Sam Hunt (Consultant)
<b>Officers In Attendance (Virtually):</b>	Jennifer Gould (Strategic Director and Chief Operating Officer), Paula Maginnis (Service Director (Corporate Services)), Rob Pavey (Service Director (Customer Services)), Nigel Richardson (Service Director (Planning Services)), Mandy Thompson (Interim Acting Service Director (Technical)), James Warwick (Interim Acting Service Director (Contracts)), Vivienne Messenger (Democratic Services Officer) and Rebecca Moreton (Corporate Communications Officer)

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### [A RECORDING OF THIS MEETING IS AVAILABLE FOR REPEATED VIEWING](#)

#### 1 WEBCASTING INTRODUCTION

The Chairman reminded everyone present that the meeting would be broadcast live to the Internet, and that the Council had adopted a protocol for the webcasting of its meetings.

#### 2 SUBSTITUTE MEMBERS

The Committee noted the following substitutions reported at the meeting:

- (1) That Cllr D Stocker had been appointed as a substitute for Cllr R Bassett; and
- (2) That Cllr I Hadley had been appointed as a substitute for Cllr J Lucas.

#### 3 DECLARATIONS OF INTEREST

- (a) Pursuant to the Council's Members' Code of Conduct, Cllr R Brookes declared a non-pecuniary interest in item 19 on the agenda – Epping Forest District Museum – by virtue of being a member of the Museums Association.
- (b) Pursuant to the Council's Members' Code of Conduct, Cllr H Kane and Cllr H Whitbread declared a non-pecuniary interest in item 19 of the agenda – Epping Forest District Museum – by virtue of being trustees of the Museum.

**4 MINUTES****RESOLVED:**

- (1) That the minutes of the meeting held on 20 April 2023 be taken as read and signed by the Chairman as a correct record.

**5 MATTERS ARISING AND OUTSTANDING ACTIONS**

The Committee noted that actions (1) and (2) from the last meeting had been resolved via post meeting updates in the minutes of the last meeting, and actions (3) and (4) would be answered via the Council Bulletin.

**6 PUBLIC QUESTIONS & REQUESTS TO ADDRESS THE OVERVIEW AND SCRUTINY COMMITTEE**

The Committee noted that no public questions or requests to address the meeting had been received.

**7 EXECUTIVE DECISIONS - CALL-IN**

The Committee noted that no executive decisions had been called-in for consideration since the previous meeting.

**8 COUNCIL'S CORPORATE PRIORITIES**

The Leader of Council stated that, against the backdrop of the current uncertain economic conditions, the Council's priorities for the forthcoming municipal year were:

- (i) to maintain sound finances, for which Qualis would play a part;
- (ii) to implement the recently agreed Local Plan;
- (iii) to continue with the Council's Housebuilding Programme, with new homes planned for Buckhurst Hill and Waltham Abbey;
- (iv) to create an Arm Length Management Organisation to deliver the waste collection services throughout the District, to address the issues arising from the current Waste Management contract;
- (v) to continue to improve the Council customer service; and
- (vi) to continue to focus on the importance of the non-statutory services provided by the Council, and in particular:
  - Health partnerships;
  - Leisure provision; and
  - The Police Officers wholly funded by the Council.

The Leader reminded the Committee that the new Corporate plan was agreed last year and praised the Council's Officers for the services they provided, but also highlighted that further partnership working would save the Council money in the long term.

In response to queries from the Committee, the Leader reiterated the importance of the Council's partnerships, acknowledged that there was an issue in recruiting Planning Officers

but possible solutions were being investigated, and was looking forward to the Cabinet being challenged by Scrutiny in the year ahead.

**Resolved:**

- (1) That the corporate priorities for the municipal year 2023/24 be noted.

**9 CORPORATE PLAN 2023/27 YEAR 1 - QUARTER 1 CORPORATE PERFORMANCE REPORT**

The Committee reviewed the Corporate Performance Report for quarter 1 of the Corporate Plan for the period 2023-27, and noted that:

- The report currently provided progress updates on identified priority projects, alongside key performance indicator targets and actual performance figures.
- The report conformed to the financial year, which did not align with the municipal year.
- A revised and re-formatted Corporate Performance report to better show how the Council was delivering against the new Corporate Plan would be presented at future meetings and aligned with the municipal year.

The Committee felt that the targets for both recycling and resolving customer queries at the first point of resolution were too low. However, it was noted that targets for key performance indicators were set in different ways: some were historical while others were national or regional targets; but all targets went through internal governance processes for agreement, and the Committee could play an important future role in determining these targets.

Further questions raised by the Committee included:

- Qualis not recognising trades unions in a negotiation process.
- Issues with performance when the Grounds Maintenance Team was initially transferred to Qualis, although it was recognised that performance had improved over time.
- What were the product issues with the Housing Asset Management system.
- A summary of the closure reports completed after every project, which included the lessons learnt for the future.

**Resolved:**

- (1) That the review of the Corporate Performance Report for quarter 1 of the Corporate Plan for the period 2023-27 be noted.

**Actions:**

- (1) To investigate and report back on whether the current target for the resolution of customer queries at the first point of contact (45%) is too low – Customer Services Director, R Pavey;
- (2) To investigate and report back on the reasons for Qualis not recognising trades unions – Interim Technical Services Director, M Thompson;
- (3) To investigate and report back on the product issues with the Housing Asset Management System – Interim Housing Services Director, S Balu; and
- (4) To investigate and report back on whether a summary of the project closure reports could be produced – Project Team Manager, C Graham.



**10 QUARTER 4 BUDGET MONITORING REPORT 2022/23 (PROVISIONAL OUTTURN)**

The Chief Financial Officer presented the Budget Monitoring report for quarter 4 of 2022/23.

The Chief Financial Officer reported that the General Fund ended the financial year overspent by £1.286million. There were several factors which contributed to this, including:

- rising inflation leading to higher pay demands across the public and private sectors;
- a shortfall in income from the delay in approving the Local Plan;
- inflation also impacting on energy and contract costs; and
- rising interest rates.

The General Fund Reserve ended the year at £3.219million, which was below the adopted minimum contingency of £4million.

The Chief Financial Officer stated that, despite facing similar challenges, the Housing Revenue Account (HRA) ended the year with a budget underspend of £4.065million. The primary factor in this was the slippage in the Housing Development Programme, which led to reduced borrowing costs and revenue contributions to capital. The HRA ended the year with a balance of £4.552million, which was above the adopted minimum contingency balance of £2million.

The Chief Financial Officer also confirmed that both the General Fund Capital Programme and HRA Capital Programme had been underspent against their budgets for the year.

The Portfolio Holder for Finance & Economic Development, Cllr J Philip added that the Council had been running below full staffing levels for a number of years now, and that he was taking measures to further reduce the level of bad debts against the Council.

**Resolved:**

- (1) That the General Fund revenue position at the end of Quarter 4 (Provisional Outturn) for 2022/23 be noted;
- (2) That the General Fund capital position at the end of Quarter 4 (Provisional Outturn) for 2022/23 be noted;
- (3) That the Housing Revenue Account revenue position at the end of Quarter 4 (Provisional Outturn) for 2022/23 be noted;
- (4) That the Housing Revenue Account capital position at the end of Quarter 4 (Provisional Outturn) for 2022/23 be noted; and
- (5) That the Movements on Earmarked Reserves highlighted in paragraphs 3.3 to 3.5 of the report, including the proposal (approved by Cabinet on 30 May 2023) to fund one-off severance costs of £260,025 from available resources within the District Development Fund, be noted.

**11 QUARTER 1 BUDGET MONITORING REPORT 2023/24**

The Committee noted that this report was not available to be considered at the meeting, and would be scheduled for the next meeting cycle.

**12 QUALIS MONITORING REPORT QUARTER 2 (YEAR 4)**

The Strategic Director, A Small, presented the Qualis monitoring report for quarter 2 of their fourth trading year.

A Small reported that Qualis continued to make positive returns in three of its four companies, albeit below target levels. Qualis Living continued to struggle to achieve its targets, and this would be addressed in the next Qualis Business Plan when the target would be revised to reflect economic conditions. Qualis had also made £2million of interest payments to the Council for its lending and this directly supported the Council's provision of services. Overall, Qualis reported a quarter 2 loss of £350,718, which was almost £200,000 greater than forecast.

A Small confirmed that the lessons learnt by the Council in setting up Qualis would be used when setting up the Arms Length Management Organisation to deliver waste collection services across the District.

**Resolved:**

- (1) That the monitoring report for quarter 2 of the fourth trading year for Qualis be noted.

**13 OVERVIEW AND SCRUTINY 2022-23 ANNUAL REPORT**

The Chairman of the Committee, Cllr D Wixley, presented the final draft of the Committee's Annual Report for submission to the Council on 25 July 2023. The final draft had been updated to include comments made at the meeting of the Committee on 20 April 2023.

**Resolved:**

- (1) That the final draft of the Overview and scrutiny Annual Report for 2022/23 be agreed; and
- (2) That the Annual Report be submitted to the Council for approval at its next meeting on 25 July 2023.

**14 CHAIRMEN TO REPORT ON THEIR SCRUTINY COMMITTEE BUSINESS, TERMS OF REFERENCE AND WORK PROGRAMMES**

The Chairmen of the Communities Scrutiny Committee and Place Scrutiny Committee updated the Committee on progress against the achievement of their work programmes.

Following the restructure of the Council's Overview and Scrutiny function, the Committee received draft Terms of Reference and work programmes for both the Communities Scrutiny Committee and the Place Scrutiny Committee. The Chairman of the Communities Scrutiny Committee highlighted that an extra meeting in March 2024 would be scheduled for the annual presentation from the District Police Commander for Epping Forest and Brentwood.

**Resolved:**

- (1) That the reports from the Chairmen of the Communities Scrutiny Committee and Place Scrutiny Committee be noted;
- (2) That the draft Terms of Reference and work programme for the Communities Scrutiny Committee in 2023/24 be agreed; and
- (3) That the draft Terms of Reference and work programme for the Place Scrutiny Committee in 2023/24 be agreed.

## 15 OVERVIEW AND SCRUTINY COMMITTEE - WORK PROGRAMME

The Committee considered its draft work programme for the forthcoming municipal year for agreement.

A proposal was made by Cllr C McCredie that scrutiny of one of the Council's commercial partners should be undertaken and added to the work programme. However, the Committee felt that this was inappropriate at the current time and the Council's Strategic Director would respond privately to the issues raised by the Councillor. The Committee requested for the response to be shared with the members of the Committee.

The Committee noted that a document had been issued by the Joint Health Scrutiny Committee for Whipps Cross Hospital on the hospital's future redevelopment. Although the hospital was outside the District, it did provide services to residents in the south of the District. It was proposed by Cllr A Patel that an all-Member briefing be scheduled to consider the proposals.

### **Resolved:**

- (1) That the draft work programme for the Overview and Scrutiny Committee for the 2023/24 municipal year be agreed.

### **Action:**

- (5) To schedule an all-Member briefing on the proposed redevelopment of Whipps Cross hospital – Service Manager for Community, Culture and Wellbeing, G Wallis; and
- (6) To share the private response from the Strategic Director regarding the issues raised with one of the Council's commercial partners with the Committee.

### [Post Meeting Update

- (5) The all-Member Briefing was being scheduled for either Tuesday 21 November or Thursday 23 November and confirmation of the date would be advised to Members in the Members' Bulletin.]

## 16 CABINET BUSINESS

The Committee reviewed the Cabinet's current programme of key decisions, dated 1 July 2023. There were no appropriate matters identified for inclusion on the Overview & Scrutiny work programme.

### **Resolved:**

- (1) That the Cabinet's current programme of key decisions, dated 1 July 2023, be noted.

## 17 EXCLUSION OF PUBLIC AND PRESS

It was agreed that under Section 100(A)(4) of the Local Government Act 1972, the public and press be excluded from the meeting for the item of business set out below on grounds that they would involve the likely disclosure of exempt information as defined in the following paragraph(s) of Part 1 of Schedule 12A of the Act (as amended) or are confidential under Section 100(A)(2):

<b>Agenda Item No</b>	<b>Subject</b>	<b>Exempt Information Paragraph Number</b>
19	Epping Forest District Museum	3

## **18 EPPING FOREST DISTRICT MUSEUM**

The Committee received a report on the Epping Forest District Museum.

The Committee noted that the Epping Forest District Museum was currently managed as a directly provided service within the Council's Community & Wellbeing service area. However, in November 2022, the Cabinet agreed, in principle, to move the Museum into an independent trust in order to best secure its long-term sustainability and future success. A detailed overview of the work undertaken to date, the new vision and concept for the future of the district's museum service, and future grant support options for the Council was provided for the Committee's consideration.

### **Resolved:**

- (1) That grant support option 2 be supported and recommended to the Cabinet for approval.

## Report to Overview and Scrutiny Committee

**Date of meeting: 24 October 2023**

**Portfolio: Finance (Cllr John Philip)**

**Subject: Local Council Tax Support Scheme**

**Officer contact for further information: Peter Freeman (Revs & Bens Service Manager)**

**Democratic Services Officer: L Kirman: email: [DemocraticServices@eppingforestdc.gov.uk](mailto:DemocraticServices@eppingforestdc.gov.uk)**

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### **Recommendations/Decisions Required:**

**(1) Recommendation:**

To consider and comment on the attached draft Cabinet report.

**Report:** See Attached Draft Cabinet report



### *DRAFT Report to the Cabinet*

**Report reference:** C-00?-2023/24

**Date of meeting:** 13 November 2023

**Portfolio:** Finance Portfolio (Cllr John Philip)

**Subject:** Local Council Tax Support Scheme 2024/25

**Responsible Officer:** Peter Freeman / Revs & Bens Service Manager  
([pfreeman@eppingforestdc.gov.uk](mailto:pfreeman@eppingforestdc.gov.uk))

**Democratic Services Officer:** V Messenger ([democraticservices@eppingforestdc.gov.uk](mailto:democraticservices@eppingforestdc.gov.uk))

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#### Recommendations/Decisions Required:

**(1) Recommendation;**

The Cabinet approve the introduction of a new income banded / grid scheme for working age applicants with effect from 1 April 2024 to reduce the administrative burden placed on the Council since the introduction of Universal Credit and to target support to the lowest income families, or

**(2) Recommendation;**

The Cabinet note that the Local Council Tax Support scheme for 2023/24 continues unchanged for 2024/25 (see link under Background Papers).

#### Executive Summary:

Council Tax Reduction (CTR) was introduced by Central Government in April 2013 as a replacement for the Council Tax Benefit scheme administered on behalf of the Department for Work and Pensions (DWP). As part of the introduction, the Government:

- Placed the duty to create a local scheme for **Working Age** applicants with billing authorities;
- Reduced initial funding by the equivalent of ten per cent from the levels paid through benefit subsidy to authorities under the previous Council Tax Benefit scheme; and
- Prescribed that persons of **Pension age** would be dealt with under regulations set by Central Government and not the authorities' local scheme.

Since that time, funding for the Council Tax Reduction scheme has been amalgamated into other Central Government grants paid to Local Authorities and also within the Business Rates Retention regime. It is now generally accepted that it is not possible to identify the amount of funding actually provided from Central Government sources.

The current Council Tax Reduction scheme administered by the Council is effectively divided into two, with pension age applicants receiving support under the rules prescribed by Central Government, and the scheme for working age applicants being determined solely by the local authority.

Pensioners, subject to their income, can receive up to 100 per cent support towards their Council Tax. The Council has no power to change the level of support provided to pensioners and therefore any changes to the level of CTR can only be made to the working age scheme.

When Council Tax Reduction was introduced in 2013, for working age applicants, the Council (together with the other Essex authorities) broadly adopted the previous means tested Council Tax Benefit scheme as the basis of awarding support. Due to the reduction in funding from Central Government, currently the Council requires working age applicants to make a minimum payment of 25%.

The scheme also currently restricts the support to a maximum of Council Tax Band D. In effect applicants living in premises which are in Band E or above will have their reduction calculated on a Band D level only.

Since 2013 only slight changes have been made to bring the scheme into line with either Housing Benefit or Universal Credit. These have been relatively minor and a more fundamental change is now required.

#### **Reasons for Proposed Decision:**

The purpose of this report is to recommend that the Council approves the implementation of a revised Council Tax Reduction Scheme with effect from 1<sup>st</sup> April 2024.

Each year the Council is required to review its Council Tax Reduction Scheme in accordance with the requirements of the schedule 1A of the Local Government Finance Act 1992 and to either maintain the scheme or replace it.

Council Tax Reduction (CTR) was introduced from 1 April 2013 when it replaced the Central Government funded Council Tax Benefit regime. From its inception, the funding available to the Council from government has reduced year on year.

It is now essential that the Council make changes to the CTR scheme for working age applicants in order to reduce the significant administrative burden placed on the Council by the introduction of Universal Credit and also to provide a scheme which is more supportive to those households on the lowest incomes.

The changes proposed affect only applicants who are of working age and the scheme for pension age applicants is not affected in any way. The rules for all pension age applicants are prescribed by Central Government.

This report recommends that the Council adopts a new scheme for working age applicants with effect from 1 April 2024 in respect of the 2024/25 financial year.

#### **Other Options for Action:**

The alternative to introducing a new scheme for Council Tax Reduction from 2024/25 is to leave the existing scheme in place. This would be a short-term option; lead to continuation of increasing costs of administration; and in the longer term, significantly affect the collection of Council Tax and the effectiveness of the scheme to support households within the Council's area.

## Report:

### **The main issues with the current scheme**

- 1.1 There are a number of issues with the current scheme that will need addressing if the system is to continue to provide effective support to low-income taxpayers and also if the Council is able to provide the service in an efficient manner. The main issues are as follows:
- The need to target the support available to low-income households and assist in:
    - The overall collection of Council Tax;
    - The introduction of Universal Credit for working age applicants; and
    - The need for a simplified scheme.
- 1.2 Each of the above are examined in detail below:

### **The need to assist low-income households and assist in the collection of Council Tax**

- 1.3 Since 2013, with the introduction of Council Tax Reduction most authorities, including the Council, have required all working age applicants to pay a minimum payment. In the case of Epping Forest this was set at 25% for most working age and support is limited to a maximum of a Band D Council Tax level.
- 1.4 The scheme also reduces the level of support where an applicant has non-dependant(s) residing with them.
- 1.5 There is a strong view within many authorities that more assistance should be provided to those households on the lowest of incomes. This view has gained momentum over the past few years but has been reinforced since the COVID-19 crisis and the cost-of-living crisis, both of which have had a major effect on incomes generally.

### **Council Tax Reduction and the roll out of Universal Credit**

- 1.6 The introduction of Universal Credit has, as experienced in all other areas, brought a number of significant challenges to both the administration of Council Tax Reduction and the collection of Council Tax generally. All Councils have experienced the following:
- The reluctance of Universal Credit claimants to make a prompt claim for Council Tax Reduction leading to a loss in entitlement;
  - A high number of changes to Universal Credit cases are received from the Department for Work and Pensions (DWP) requiring a change to Council Tax;
  - Reduction entitlement. On average 40% of Universal Credit claimants have between eight and twelve changes in entitlement per annum. These changes result in amendments to Council Tax liability, the re-calculation of instalments, delays, and the demonstrable loss in collection; and
  - The increased costs of administration through multiple changes with significant additional staff and staff time being needed.
- 1.7 Clearly, the existing means tested Council Tax Reduction scheme, which is too reactive to change, will not be viable in the longer term now that Universal Credit has been rolled out fully within the area and the increase in the number of Universal Credit claimants due to the rises.
- 1.8 It should also be noted that the DWP are also moving all existing Income Based Jobseeker's Allowance, Income Support and Tax Credit cases across to Universal Credit by 2024 with the remaining cases (Income Related Employment and Support Allowance) moving to Universal Credit by 2028. In effect, this move will increase the number of Universal Credit cases in the District by almost 30%.



1.9 The move to a new, future proofed, more efficient Council Tax Reduction scheme from 2024 is now imperative.

#### **The need for a simplified approach to the Council Tax Reduction Scheme.**

1.10 Notwithstanding the effects of Universal Credit, the existing scheme is based on an 'old fashioned' means tested benefit scheme. It has major defects namely:

- It is complex for customers to understand and is based on a complex calculation of entitlement;
- The administration for staff is complex, with staff having to request significant amounts of information from applicants;
- Staff have to undergo significant training to be proficient in processing claims;
- The timescales for processing applications is lengthy, mainly due to the complexity and evidence required to support the applications; and
- The administration of the scheme is costly when compared to other discounts for Council Tax.

1.11 Clearly there is a need now to simplify the scheme, not only to mitigate the effects of Universal Credit, but also make it easier for customers to make a claim and to significantly reduce the costs of administration.

#### **The recommended approach for the 2024/25 Council Tax Reduction Scheme**

1.12 In view of the problems being experienced with the current scheme, it is recommended that a new approach be taken from 2024/25. The new approach fundamentally redesigns the scheme to address all of the issues highlighted and in particular;

- (a) The level of support available to the poorest households;
- (b) The problems with the introduction of full-service Universal Credit; and
- (c) The significant increase in administration costs due to the high level of changes received in respect of Universal Credit;

1.13 The new scheme has been completed and a full consultation has been completed with the public and the major precepting authorities in line with legislative requirements.

1.14 The responses from the major preceptors (County Council, the Police and Fire) are attached within Appendix A and an analysis of the public consultation (which concluded on 18th October 2023) is attached within Appendix B.

1.15 It should be noted that the Council has received favourable responses to the new approach from the major preceptors and in the case of the public consultation, a majority positive response has been received in respect of all of the changes proposed. (For information **xx.xx%** were in favour of introducing the new scheme with **xx.x%** against and **xx.xx%** stating no preference) – **survey closes 18 October with details to follow**

1.16 If the recommendations are accepted by the Council, the new scheme will take effect from 1 April 2024.

1.17 The recommended new scheme has several key features as follows:

- The current means-tested schemes will be replaced by a simple income grid model as shown below:

Household Type	Weekly Net Income & Discount					
	A £0 to £100.00	B £100.01 to £175.00	C £175.01 to £250.00	D £250.01 to £325.00	E £325.01 to £400.00	F £400.01 +
Single - no child	75%	50%	25%	0%	0%	0%
Couple - no child	75%	50%	25%	0%	0%	0%
Single - 1 child	75%	75%	50%	25%	0%	0%
Couple - 1 child	75%	75%	50%	25%	0%	0%
Single - 2 children	75%	75%	75%	50%	25%	0%
Couple - 2 children	75%	75%	75%	50%	25%	0%
Severely Disabled	75%	75%	75%	75%	75%	0%

1.18 The following paragraphs provide more detail on the operation of the new scheme:

- (a) the highest level of discount will be at a maximum level of liability (75%), Band A, and all current applicants that are in receipt of a ‘\*passport benefit’ such as Income Support, Jobseeker’s Allowance (Income Based) and Employment and Support Allowance (Income Related) will receive maximum discount;
- (b) Where an applicant or partner would have, (but for this scheme), qualified for a Severe Disability Premium, discount will be awarded at 75% (subject to their income not exceeding £400 per week).
- (c) All other discount levels are based on the applicant’s and partner’s, (where they have one) net weekly income;
- (d) The Council Tax Band D maximum support level will be removed;
- (e) The scheme allows for variation in household size with the levels of income per band increasing where an applicant has a partner, and / or dependants;
- (f) There will be no charges made where an applicant has non-dependants living with them. This is a significant change and means that the administration of the scheme will be more straightforward whilst also protecting low-income families where adult sons and daughters for example remain at home;
- (g) To encourage work, a standard disregard of up to £20 per week will be provided against all earnings This will take the place of the current standard disregards and additional earnings disregards. The current childcare disregards will remain in place;
- (h) Disability benefits such as Disability Living Allowance and Personal Independence Allowance will continue to be disregarded;
- (i) Child Maintenance will be disregarded;
- (j) An amount in respect of the housing element, limited capability for work / work related element, childcare element, disabled child element. and carer’s element within Universal Credit will be disregarded;
- (k) The total disregard on war pensions and war disablement pensions will continue; and
- (l) The capital limit of £6,000 with no tariff (or assumed income) being applied will remain. Any applicant who has capital above that level will not qualify.

### **How the new scheme will address the problems with the current Council Tax Reduction**

1.19 With the simplicity of the proposed new scheme and by taking a more ‘Council Tax discount approach’, it will address the problems associated with the increased administration caused by failings in the current scheme and Universal Credit (UC) as follows:

(a) **The scheme will require a simplified claiming process** - All applicants will see a significant reduction in the claiming process, including a simpler and shorter claim form. For Universal Credit applicants, any UC data received from the Department for Work & Pensions (DWP) will be processed automatically without the need to request further information from the taxpayer. These changes will have the following distinct advantages namely:

(i) **Speed of processing** – all claims will be able to be calculated promptly without the need to request further information which inevitably leads to delays;

(ii) **Maximising entitlement to every applicant** - the claim process will be simplified significantly. Entitlement to Council Tax Reduction will be maximised with a reduced risk of loss of discount or the need for backdating;

(iii) **Maintenance of collection rates** – the new scheme will avoid constant changes in discount, the need to send further bills with multiple changes to instalments and therefore assist in maintaining the high collection rates currently achieved. The increased level of discount will assist all those applicants on the lowest levels of income, again improving the overall collection rate;

(b) **The income bands are sufficiently wide to avoid constant changes in discount.**

The current Council Tax Reduction scheme is very reactive and will alter even if the overall change to the person's liability is small. This is leading to constant changes in Council Tax liability, the need to recalculate monthly instalments and the requirement to issue a large number of Council Tax bills. The effect of this is that Council Tax collection is reduced. The new scheme, with its simplified income banding approach will have the following advantages:

(i) Only significant changes in income will affect the level of discount awarded;

(ii) Council Taxpayers who receive Council Tax Reduction will not receive multiple Council Tax bills and adjustments to their instalments; and

(iii) The new scheme is designed to reflect a more modern approach, where any discount changes it will be effective from the day of the change rather than the Monday of the following week.

### **Transition to the new scheme and the Exceptional Hardship Scheme**

1.20 In deciding on any new scheme, the Council must be mindful that any change in scheme or a transition to a new scheme may have result in a change to the entitlement of certain applicants. Inevitably, with any change in scheme, there will be winners and losers although the proposed scheme has been designed to protect the most vulnerable. From modelling based on current values approximately 2,514 of applicants will receive either the same or more support and 555 will receive a reduced level of assistance.

1.21 To mitigate this, the new scheme will contain additional provisions to protect individuals who experience exceptional hardship. This is similar to the scheme currently in place. Where any applicant is likely to experience exceptional hardship, they will be encouraged to apply for an exceptional hardship payment. The Council will consider all applications for exceptional hardship on an individual basis, taking into account available income and essential outgoings. Where appropriate further support will be given to the applicant.

1.22 This approach will enable individual applicants to be dealt with in a fair and equitable manner. The Exceptional Hardship Scheme will form part of the Council Tax Reduction Scheme and fall to be paid through the Collection Fund. Details of the Exceptional Hardship Scheme are provided in Appendix C.

## Scrutiny Comments

Please insert where its relevant to the report a paragraph entitled, e.g. "Scrutiny Comments" as above. Any pre-scrutiny and/or consultation undertaken can be included here. It can also be summarised below under "Resource Implications" in the "Consultation / Scrutiny Undertaken" section.

### Resource Implications:

The recommended scheme will provide a modern, more efficient scheme which will be more straightforward to administer for staff to administer.

### Financial implications:

The current Council Tax Reduction scheme costs approximately £6.8million, which is borne by the Council's Collection Fund. Costs are shared between the Council and the Major Precepting Authorities in the following proportions. The cost to the Council for implementing a banding scheme have been factored into the Medium-Term Financial Plan.

District Council 8.1%  
County Council 72.4%  
Police and Crime Commissioner 11.7%  
Fire and Rescue Service 4%

Local preceptors will meet the remaining 3.8%.

Whilst the approach and 'shape' of the scheme is changing, the overall intention will be to provide targeted support to those households on the very lowest incomes.

There is no intention to reduce the level of support available to other households and based on current modelling, were the new scheme to be in place at the current time, the costs would be £6.8million.

Financial modelling has been and will continue to be undertaken throughout the remainder of the current financial year.

Whilst the expected costs of the scheme for 2024/25 will be slightly higher, the overall level of Council Tax Reduction as a proportion of the Council Tax Base has reduced year on year since 2013. The proposed changes for 2024/25 would still represent a significant reduction in the proportion of costs in real terms compared to the original Council Tax Reduction level:

	<b>2022 £m</b>	<b>2023 £m</b>	<b>2024 (est) £m</b>
Gross CT Liability	107.7	112.7	118.5
CTR	6.7	6.8	6.8
%age	6.2%	6.0%	5.7%

Council Tax Reduction now represents a significantly smaller percentage of the Council Tax base.

It is expected that the overall costs of the scheme in terms of its percentage of the gross liability will continue to reduce year on year from 2024 onwards.

## **Legal and Governance Implications:**

Schedule 1A (3) of the Local Government Finance Act 1992, states:

Before making a scheme, the authority must:

- consult any major precepting authority which has power to issue a precept to it,
- publish a draft scheme in such manner as it thinks fit, and
- consult such other persons as it considers are likely to have an interest in the

## **Safer, Cleaner and Greener Implications:**

N/A

## **Consultation:**

A full consultation has been undertaken in line with the statutory requirements. Each of the major preceptors have been asked for their input and their responses are included within Appendix A.

A full analysis of the public consultation is included within Appendix B and it should be noted that consultees overwhelmingly agreed with **all** of the proposed changes to the scheme.

## **Background Papers:**

Link to Local Council Tax Support scheme 2023/24:

[\(Public Pack\)Agenda Document for Council, 28/02/2023 19:00 \(eppingforestdc.gov.uk\)](#)

## **Risk Management:**

Text for any Risk Management Issues...

## **Equality:**

The move to the new scheme will either have a neutral or positive affect to the majority of working age claimants. From initial modelling 2,514 applicants will receive the same or more support than under the previous scheme.

As with all changes however there will be up to 555 applicants who may receive less support than previous. In all such cases, further support will be available through the Council's Exceptional Hardship Fund.

# Agenda Item 10

## **Report to Overview & Scrutiny Committee**

**Date of meeting: 24th October 2023**



**Subject: Quarter 1 Budget Monitoring Report 2023/24**

**Portfolio Holder: Finance & Economic Development – Cllr. John Philip**

**Officer contact for further information: Chris Hartgrove 01992 564000 (Ext. 2532)**

**Democratic Services Officer: Laura Kirman 01992 564243**

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### **Recommendations/Decisions Required:**

- 1. The General Fund revenue position at the end of Quarter 1 (30th June 2023) for 2023/24, including actions being undertaken or proposed to ameliorate the position, where significant variances have been identified, be noted (*including Appendix A*).**
- 2. The General Fund capital position at the end of Quarter 1 (30th June 2023) for 2023/24 be noted (*including Appendix B*).**
- 3. The Housing Revenue Account revenue position at the end of Quarter 1 (30th June 2023) for 2023/24, including actions proposed to ameliorate the position, where significant variances have been identified, be noted.**
- 4. The Housing Revenue Account capital position at the end of Quarter 1 (30th June 2023) for 2023/24 be noted (*including Appendix C*); and**
- 5. The wider position on Financial Performance and Risk at the end of Quarter 1 (30th June 2023) be noted.**

### **Executive Summary:**

This report sets out the 2023/24 General Fund and Housing Revenue Account budget positions, for both revenue and capital, as at 30th June 2023 (“Quarter 1”). It also considers a range of other Financial Performance and Risk indicators alongside the budget position.

In terms of General Fund revenue expenditure – at the Quarter 1 stage – a budget overspend of £1.523 million, with projected net expenditure of £19.164 million against an overall budget provision of £17.641 million, is forecast.

The most significant factor reflected in the Q1 forecast is increasing Interest Rates as the Bank of England has continued its strategy of raising the Bank Rate – beyond that foreseen when the Budget was set in February 2023 – in response to stubborn inflation in the economy. The Council is a Net Borrower and higher interest rates are having a detrimental impact in a number of areas. Most notably Net Interest Payable is forecast to be £626,269 over Budget as the windfall from additional Interest Receivable (£240,900) is outweighed by the cost of additional Interest Payable (£867,169). HRA Recharges are also suppressed as the General Fund is obligated to pass on additional Interest Receipts on HRA bank deposits. In addition, although the drawdown of Qualis loans has gathered pace in 2023, margins on on-lending are considerably lower than originally envisaged, and – at the time of reporting – are now below 1.0%.

Service pressures are relatively limited at this stage, although there are some emerging risks, most notably on Employee costs and income from Planning Applications. Firstly, the Budget assumes a Pay Award of 4.0%, but – nationally – Local Government Employers have offered a fixed sum of £1,925 to all pay grades (equating to around 5.0% on average at this Council). The forecast assumes a 5% increase in Employee costs, but Members should note that Unions have rejected the Pay Offer and are currently balloting members on strike action. And secondly, the volume of Planning Applications received in Quarter 1 is lower than expected, following the adoption of the Local Plan in March 2023. Some larger applications are anticipated in the coming months and there is some optimism that income levels will increase, but significant uncertainty remains, especially in the light of the (currently difficult) economic position.

The Funding position on the General Fund at the Quarter 1 stage is mixed, with surplus income of £646,000 expected from Business Rates, partly due to an anticipated back-dated Tariff adjustment. But a shortfall of £286,000 is also anticipated on the payments that the Council receives from preceptors as part of the Essex Council Tax Sharing Agreement (CTSA).

Members attention is drawn to the Council's draft Balance Sheet position as at 31st March 2023, which is showing an unallocated General Fund Reserve (contingency balance) of £3.219 million. This is significantly below the Council's formally adopted contingency balance of £4.0 million. If the year-end forecast spending and funding position in this report is accurate – notwithstanding any other reserve adjustments – the balance will fall to £1.606 million.

The Housing Revenue Account is also projected to record a budget overspend of £0.159 million. This is partly due to the same challenges facing the General Fund (especially the impact of inflation on staffing), but also – and to a larger extent – the increasing costs of major void repairs.

If the overall forecast materialises, the HRA Balance will end the year at £4.438 million (the adopted minimum contingency balance in the HRA Business Plan is £2.0 million).

Turning to capital spending:

- General Fund Capital Programme – spending in the first 3 months was £5.350 million, with a forecast outturn of £66.203 million, which – if this materialises – would lead to an underspend of £10.646 million. The drawdown on Qualis loans is lower than the budget and is the most significant variance (£5.538 million); and
- Housing Revenue Account Capital Programme – spending in the first 3 months was £1.116 million, with a forecast outturn of £52.202 million, which – if this materialises – would lead to an underspend of £18.529 million. Slippage on the Housing Development Programme is the most notable factor.

And finally, this edition of the Budget Monitoring Report – in line with recommended good practice and the updated reporting requirements within the updated Prudential Code (2021) – introduces a summary analysis of the Council's wider Financial Performance and Risk. This includes a range of considerations from how effectively the Council collects its income and pays its bills, through to compliance with the "Prudential Indicators" adopted by the Council within its Capital Strategy. It also considers some local HRA Indicators, which underpin the delivery of the HRA Business Plan. The Quarter 1 position is generally positive with performance and compliance in most areas not raising any concerns, although there are some challenges that should be noted, including the collection of Sundry Debts and rising Financing costs.

#### **Reason for Decision:**

The report enables the Cabinet to monitor and control the Council's financial position for 2023/24 and take whatever action it chooses, based on the information presented.

## 1) Background and Introduction

1.1 The Council's budget for 2023/24 (both General Fund and Housing Revenue Account) was approved by full Council on 28th February 2023. This report updates the Cabinet on how the Council's services have performed against their budgets in the first three months of the financial year, and projects forward to the anticipated outturn for the end of the financial year.

1.2 This is the first update for 2023/24 and includes the General Fund and Housing Revenue Account positions, for both revenue and capital, as at 30th June 2023 ("Quarter 1").

## 2) General Fund Revenue Budget

### Net Expenditure

2.1 The General Fund **net expenditure** position for 2023/24, at the Quarter 1 stage – summarised by service area – is presented in **Appendix A**. The headline is a forecast budget overspend of £1.523 million, with projected net expenditure of £19.164 million against an overall budget provision of £17.641 million. The table below summarises the position by service.

<b>GF Net Expenditure Budget 2023/24 (Quarter 1)</b>			
<b>Description</b>	<b>Budget 2023/24</b>	<b>Q1 Forecast Spending (31/03/24)</b>	<b>Variance</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
Chief Executive	655	644	(11)
Commercial & Technical	2,060	2,181	121
Community & Wellbeing	1,478	1,444	(34)
Corporate Services	9,048	8,992	(56)
Customer Services	2,158	2,527	369
Finance & Audit	2,069	2,070	1
Housing & Property	1,846	1,824	(22)
Place	280	274	(6)
Planning & Development	760	1,327	567
Strategy, Delivery & Performance	821	752	(69)
Qualis	(2,852)	(2,583)	269
HRA Recharges	(4,984)	(4,674)	310
Financing	4,302	4,386	84
<b>Totals (Net Expenditure)</b>	<b>17,641</b>	<b>19,164</b>	<b>1,523</b>



2.2 There are a range of notable (over £100,000) **negative** variances – at a service directorate level – to the budget in the table above as follows:

- **Planning & Development (£566,611 forecast Overspend)** – the most significant factor in the overall forecast overspend relates to a budget pressure of £318,533 on Regulatory Services, driven exclusively by a shortfall in Building Control Fees. Overall Building Control applications (including both Council and private sector) were down by 52% in the period April to June 2023 compared to the same period in 2022/23, with Council applications down by 42%. Tough economic conditions are thought to be responsible for reduced activity across the sector. Overall Planning & Development cost centres are forecast to overspend by £138,086, which is predominantly driven by a forecast shortfall of £276,550 (16.3%) on income from Planning Applications. Planning Services cost centres are also facing an overall budget pressure of £108,520 driven by a range of factors, including a pressure of £125,114 on Agency Staff costs, triggered by maternity cover requirements.
- **Customer Services (£368,955 forecast Overspend)** – Members may recall a late accounting adjustment that was required to the 2022/23 Management Accounts (reported to Cabinet 30th May 2023) due to an upturn in detected Housing Benefit Overpayments (HBOs), partly as a consequence of the rollout of the DWP Housing Benefit Accuracy Award (“HBAA”); the HBAA required the Council to conduct additional testing on Housing Benefit assessments (leading to an increase in detected errors). The potential impact for 2023/24 (the budget was set before the outturn for 2022/23 was known) is still being examined by Finance officers, but the current (Quarter 1) forecast includes an assumed year end (negative) adjustment of £250,000 in respect of this item for 2023/24
- **HRA Recharges (£310,000 forecast Overspend)** – the annual net recharge from the General Fund to the HRA is forecast to be £310,000 lower than anticipated in the Budget, predominantly due to higher-than-expected Interest Rates
- **Qualis Income (£268,922 forecast Overspend)** – the drawdown of Qualis loans has gathered pace in 2023, albeit slightly less so than assumed in the budget. However, on-lending margins are considerably lower than originally envisaged within the Loan Agreements; at the time of reporting, margins are now significantly below 1.0%; and
- **Commercial & Technical (£120,375 forecast Overspend)** – a combination of – relatively small – factors are leading to a projected overspend of £120,375 on this directorate. This includes a surplus of £104,003 on North Weald Airfield driven by additional income from Market Rents; receipts are expected to exceed budget by £112,500. A further surplus of £80,386 is also expected on Waste Management, mainly due to a Service Contingency of £400,000 included in the budget for the purposes of commissioning additional support in developing Future Service Delivery (£238,000 is expected to be spent, leading to a forecast surplus of £162,000). However, the good news is expected to be marginally outweighed by the bad news, with negative variances of £93,235 forecast on Land & Property (mainly due to an income shortfall on Commercial Property Rents e.g. a forecast combined shortfall of £70,000 at Cartersfield and Brooker Roads), £79,093 on Car Parking (due to fleet costs of maintaining GM vehicles post transfer to Qualis), £72,223 on “Cost Centres – Contracts & Technical” (most notable cost pressure £49,645 on salaries) and £66,230 on Contracts & Technical Support Services (including £73,925 on staffing costs in Quarter 1 in the Grounds Maintenance South cost centre, incurred prior to service transfer) all expected.

2.3 Overall, there are no notable (over £100,000) **positive** variances – at a service directorate level – to the budget in the table above. However, whilst Net Financing costs are broadly on track to meet budget expectations, there are two substantial underlying variances worthy of mention. Firstly, Members may recall the inclusion of a Corporate Contingency of £712,880 in the budget to cover any emerging shortfall in income from Qualis Loan Margins; at the Quarter 1 stage, it is assumed that a total of £268,922 will be required from the Contingency, with the remaining £443,958 reflected as a surplus within projected General Net Expenditure. And secondly, rapidly rising Interest Rates are driving much higher returns on Council investments, with Interest Receivable forecast to exceed budget by £240,900.

2.4 Members attention is also drawn to the following:

- **Staffing Budgets** – the budget assumes a Pay Award of 4.0% for 2023/24, but – nationally – Local Government Employers have offered a fixed sum of £1,925 to all pay grades (equating to around 5.0% on average at this Council). The overall forecast assumes a 5% increase in Employee costs, but Members should note that Unions have rejected the Pay Offer and are currently balloting members on strike action. The budget includes embedded provision for total Employee Costs of £22.550 million and is by far the largest category of expenditure; each 1.0% in the Pay Award adds around £220,000 to the Council's base budget; and
- **Planning Applications** – the volume of Planning Applications received in Quarter 1 is lower than expected, following the adoption of the Local Plan in March 2023. Some larger applications are anticipated in the coming months and there is some optimism that income levels will increase, but significant uncertainty remains, especially in the light of the (currently difficult) economic position. As noted above, in Paragraph 2.2, a shortfall of 16.3% is assumed at this stage; the budget assumes income of £1.7 million from Planning Applications, with a 1.0% shortfall representing £17,000.

## **Funding**

2.5 The General Fund **funding** position for 2023/24, at the Quarter 1 stage is summarised in the table below.

<b>GF Funding Position 2023/24 (Quarter 1)</b>			
<b>Source Description</b>	<b>Budget Assumption 2023/24</b>	<b>Q1 Forecast (31/03/24)</b>	<b>Variance</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
Council Tax	(8,899)	(8,899)	0
Business Rates	(5,766)	(6,412)	(646)
Collection Fund Adjustments	(645)	(645)	0
Council Tax Sharing Agreement (CTSA)	(615)	(329)	286
Revenue Support Grant	(129)	(129)	0
New Homes Bonus	(78)	(78)	0
2023/24 Services Grant	(129)	(135)	(6)
Other Grants (Non-Specific)	(929)	(924)	5
Contribution to/(from) Reserves	(451)	(1,613)	(1,162)
<b>Total Funding</b>	<b>(17,641)</b>	<b>(19,164)</b>	<b>(1,523)</b>

2.6 The funding position for the General Fund in Quarter 1 is mixed. The Business Rates forecast is very positive, with a projected year-end surplus of £646,000. The Council's Business Rates base was revalued as at 1st April 2023, which resulted in a 14.0% uplift in value compared to the previous revaluation (1st April 2017). This is double the national average of 6.9%. The resulting increase in Business Rates revenue is however subject to a range of complex adjustments as part of the Business Rates Retention (BRR) system. A relatively cautious funding assumption was therefore assumed in developing the 2023/24 budget. Updated intelligence now allows more accurate projections to be made; the forecast outturn of £6.412 million presented above includes an anticipated back-dated Tariff adjustment (estimated at £247,000) in respect of the revaluation.

2.7 In contrast, a shortfall of £286,000 is anticipated on CTSA payments from the preceptors, which reflects the late decline in Council Tax collection performance in 2022/23 reported to Cabinet on 30th May 2023. There has been a relative improvement in the Council Tax collection rate in Quarter 1 of 2023/24 (see paragraphs 7.2.8 and 7.2.9 below), but the budget was prepared on the basis of previous performance expectations. See Paragraph 3.1 below for a discussion on the forecast Contribution of £1.613 million *from* Reserves.

### 3) General Fund Reserves

#### **General Fund Reserve (contingency balance)**

- 3.1 The negative outlook of £1.523 million on net expenditure summarised and explained in paragraphs 2.1 to 2.4, and the funding position presented in paragraphs 2.5 to 2.7 above means that – if the forecasts materialise as presented – it will not be possible to contribute £0.263 million to the General Fund (unallocated) Reserve, which was an embedded assumption in setting the budget. Instead, there will be a contribution requirement of £1.613 million from the Reserve to support the budget (as presented in the table in Paragraph 2.5 above). This reflects both the projected overspend and the utilisation of the Collection Fund Deficit Reserve in closing the 2022/23 Accounts, which removed a previously assumed source of additional contingency funding (impact £268,922 in Quarter 1). The forecast impact on the General Fund Reserve is presented in the table below.

<b>Movement on General Fund Reserve: Quarter 1 2023/24</b>	
<b>Description</b>	<b>£000's</b>
General Fund Balance 31st March 2023 (pre-audit)	(3,219)
Contribution from Reserves 2023/24 (Q1 forecast)	1,613
<b>General Fund Balance 31st March 2024 (Q1 forecast)</b>	<b>(1,606)</b>

- 3.2 Members are reminded that the Council's unallocated General Fund Reserve is a contingency balance and, following the Section 151 Officer's recommendation in accordance with Section 25 of the Local Government Act 2003, the Council approved the maintenance of a minimum balance of £4.0 million in February 2023.

#### **Earmarked Reserves**

- 3.3 In addition to the General Fund Net Expenditure budget (£17,641,020 for 2023/24), the Council also incurs further expenditure on a range of other projects and facilities funded from Earmarked Reserves (which are 'topped up' from third party sources – including grants – and internal appropriations). Activity has been relatively subdued so far this year and – at the Quarter 1 stage (30th June 2023) – the Council has received £0.518 million and spent £0.303 million, leaving a balance of £3.301 million. The Movement on General Fund Earmarked Reserves is summarised in the table below.

Movement in General Fund Earmarked Reserves (April to June 2023)					
Description	Opening Balance 01/04/23	Income	Expenditure	Transfers (in)/out	Q1 Balance 30/06/23
	£000's	£000's	£000's	£000's	£000's
District Development Fund (DDF)	(224)	0	4	0	(220)
Community Projects	(435)	(192)	105	0	(522)
<i>Other Reserves:</i>					
All Weather Pitch	(137)	0	0	0	(137)
Garden Town	(410)	0	40	0	(370)
Dig. Innovation Zone (DIZ)	(127)	(90)	21	0	(196)
Homelessness	(256)	0	21	0	(235)
Insurance	(150)	0	0	0	(150)
Invest to Save	(114)	0	0	0	(114)
Museum	(110)	0	0	0	(110)
New Burdens	(112)	0	17	0	(95)
North Weald Inland Port	(617)	(100)	22	0	(695)
Prosperity Fund	(33)	0	0	0	(33)
Staff Benefits Fund	(31)	(13)	1	0	(43)
Other Ongoing Projects	(330)	(123)	72	0	(381)
<b>Totals</b>	<b>(3,086)</b>	<b>(518)</b>	<b>303</b>	<b>0</b>	<b>(3,301)</b>

*\*Excludes statutory ring-fenced, and other reserves used for accounting purposes*

3.4 The Community Projects Reserve comprises 20 different project categories and is easily the Council's most 'active' reserve. "Essex & Herts Digital Innovation Zone" (DIZ) funding has now been stripped out of the DDF Reserve for added transparency (with partner contributions of £90,000 now clearly visible). The remaining balance on the DDF Reserve is now fully allocated following the funding of one-off (staff) Severance costs of £260,025 at the end of 2022/23 (approved by Cabinet 30th May 2023).

#### 4) Housing Revenue Account (revenue)

4.1 The Housing Revenue Account (HRA) revenue position for 2023/24, at the Quarter 1 stage, is summarised in the table below. As at 30th June 2023, a £0.159 million overspend is forecast for the year end, with projected net expenditure of £0.113 million compared to an overall budget provision of £3.460 million.

<b>HRA Budget 2023/24 (Quarter 1)</b>			
<b>Description</b>	<b>Budget 2023/24</b>	<b>Forecast Spending (31/03/24)</b>	<b>Variance</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
<b>EXPENDITURE</b>			
Supervision & Management (General)	7,140	7,168	28
Supervision & Management (Special)	5,007	4,874	(133)
Rents, Rates, Taxes & Insurances	507	519	12
Repairs & Maintenance	11,232	12,147	915
<b>Management &amp; Maintenance</b>	<b>23,886</b>	<b>24,708</b>	<b>822</b>
Capital Charges	9,137	9,137	0
Treasury Management Expenses	65	30	(35)
Provision for Bad/Doubtful Debts	99	120	21
<b>Total Expenditure</b>	<b>33,187</b>	<b>33,995</b>	<b>808</b>
<b>INCOME</b>			
Dwelling Rents	(37,419)	(37,641)	(222)
Non-Dwellings Rents	(930)	(799)	131
Charges for Services & Facilities	(1,473)	(1,455)	18
Contributions from General Fund	(383)	(383)	0
<b>Total Income</b>	<b>(40,205)</b>	<b>(40,278)</b>	<b>(73)</b>
<b>Net Cost of Services</b>	<b>(7,018)</b>	<b>(6,283)</b>	<b>735</b>
Interest on Receipts and Balances	(8)	(361)	(353)
Interest Payable on Loans	5,616	5,393	(223)
<b>Net Operating Income</b>	<b>(1,410)</b>	<b>(1,251)</b>	<b>159</b>
<i>Appropriations:</i>			
Direct Revenue Contributions to Capital	1,364	1,364	0
<b>(Surplus)/Deficit for Year</b>	<b>(46)</b>	<b>113</b>	<b>159</b>

4.2 The HRA revenue outturn for 2022/23 included underspends on the Stock Condition Survey (£254,000) and the “More than Bricks and Mortar” (a scheme primarily aimed at achieving infrastructure improvements on housing estates) (£64,000) projects. Consequently, the unspent budgets have been rolled forward and added to the 2023/24 budget agreed by the Council in February 2023. The table below reconciles the updated and original budgets.

<b>HRA Budget Reconciliation 2023/24: Quarter 1</b>	
<b>Description</b>	<b>Value (£000's)</b>
<b>(Surplus)/Deficit for Year (approved by full Council 28/02/23)</b>	<b>(364)</b>
<i>Brought forward project budgets from 2022/23:</i>	
Stock Condition Survey	254
“More than Bricks and Mortar” Estate Improvement Scheme	64
<b>Total Budget Additions (@ Quarter 1)</b>	<b>318</b>
<b>(Surplus) / Deficit for Year (updated Budget 2023/24 @ Quarter 1)</b>	<b>(46)</b>

4.3 There are four significant factors behind the forecast as follows:

- **Repairs and Maintenance (£0.915 million forecast Overspend)** – there are numerous items contributing to this variance, the most significant of which relates to higher than anticipated Void costs in Quarter 1 on several properties with further major works anticipated during the remainder of the year (£765,000).
- **Interest on Receipts and Balances (£0.353 million forecast Underspend)** – the HRA is credited (from the General Fund) with interest based on its average revenue balances held throughout the year. A recent sharp increase in SONIA (“Sterling Overnight Index Average” interest rate), plus future expectations of sustained higher interest rates is leading to significantly higher than expected interest receipts.
- **Interest Payable on Loans (£0.223 million forecast Underspend)** – HRA capital spending was lower than expected in 2022/23, thereby reducing the need for additional borrowing; this has reduced the associated interest payable in this – the 2023/24 – financial year; and
- **Dwelling Rent (£0.222 million forecast Underspend)** – improvements in void turnaround times is leading to rental income levels exceeding budget.

4.4 Members should note that the current HRA Business Plan includes the assumed maintenance of a minimum balance of £2.0 million in the HRA reserve; as at 31st March 2023, the balance was £4.551 million, which reflected an underspend on HRA Net Operating Income of £0.388 million in 2022/23 (reported to Cabinet on 30th May 2023).

<b>Movement on HRA Balance: Quarter 1 2023/24</b>	
<b>Description</b>	<b>£000's</b>
HRA Balance 31st March 2023 (pre-audit)	(4,551)
2022/23 Roll Forward (Para 4.2)	318
2023/24 Budget (Surplus) – full Council 28th February 2022	(364)
2023/24 Net Operating Income Forecast Variance Q1 (Para 3.1)	159
<b>HRA Balance 31st March 2024 (Q1 Forecast)</b>	<b>(4,438)</b>

## 5. General Fund Capital Programme

5.1 The General Fund Capital Programme for 2023/24 as at 30th June 2023 is summarised – at a service level – in the table below. A more detailed analysis – at a scheme level – is included in **Appendix B**. The updated Programme budget totals £76.849 million. Spending in the first 3 months was £5.350 million, with a forecast outturn of £66.203 million, which – if this materialises – would lead to an underspend of £10.646 million.

<b>General Fund Capital Programme 2023/24 (Quarter 1)</b>					
<b>Description</b>	<b>Budget 2023/24 (Updated)</b>	<b>Spending (@ 30 June 2023)</b>	<b>Remaining Budget (@ 30 June 2023)</b>	<b>Forecast Spending (31/03/24)</b>	<b>Variance (Under) / Over</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
Commercial & Technical	31,008	436	30,572	27,853	(3,155)
Corporate Services	4,191	123	4,068	2,386	(1,805)
Customer Services	148	0	148	0	(148)
Housing (General Fund)	653	41	612	653	0
Place	839	0	839	839	0
Qualis Loans	40,010	4,750	35,260	34,472	(5,538)
<b>Total Expenditure</b>	<b>76,849</b>	<b>5,350</b>	<b>71,499</b>	<b>66,203</b>	<b>(10,646)</b>
<i>Capital Financing:</i>					
Borrowing	74,709	5,078	69,631	64,296	(10,413)
Capital Grants	1,133	145	988	1,092	(41)
Capital Receipts	1,007	127	880	815	(192)
<b>Total Financing</b>	<b>76,849</b>	<b>5,350</b>	<b>71,499</b>	<b>66,203</b>	<b>(10,646)</b>

5.2 A General Fund Capital Programme budget of £57.562 million was approved by Council in February 2023. Subsequent updates, including unspent rolled forward balances from 2022/23, have resulted in an updated budget of £76.849 million at the Quarter 1 stage. The table below reconciles the movement.

<b>General Fund Capital Budget Reconciliation 2023/24: Quarter 1</b>	
<b>Description</b>	<b>Value (£000's)</b>
<b>General Fund Capital Budget 2023/24 (full Council 28/02/23)</b>	<b>57,562</b>
Unspent Budgets from 2022/23 Rolled Forward	17,625
UK Shared Prosperity Fund (added projects) Cabinet (18th July 2022, Ref. C-008-2022/23)	53
Rural Prosperity Fund (added projects) Cabinet (6th February 2023, Ref. C-033-2022/23)	109
Investment Property Acquisition Fund (added investment) Cabinet (30th May 2023, Ref. C-006-2023/24)	1,500
<b>UPDATED General Fund Capital Budget 2023/24 (@ 30/06/23)</b>	<b>76,849</b>



5.3 In addition, a further scheme to provide design, cost, and development options for the employment land released at North Weald under the Local Plan, was also approved by Cabinet on 30th May 2023 (C-005-2023/24) at an estimated cost of £500,000. At the time of reporting, the scheme has not been added to the Capital Programme, pending identification of the precise nature of the spending (whether revenue or capital), which affects the accounting treatment; but it should be emphasised that the spending commitment is fully funded, with any accounting implications entirely cost neutral).

5.4 There are three dominant areas of underspending/slippage on the General Fund Capital Programme at the Quarter 1 stage:

- **Qualis (£5.538 million forecast Underspend)** – as described in Paragraph 2.2, the drawdown of Qualis loans has been slower than envisaged at the time of preparing the Capital Programme, primarily due to planning delays on development sites and financial viability reassessments on some sites in the light of changing market factors; and
- **Commercial and Technical (£3.355 million forecast Underspend)** – the dominant factor driving the underspend relates to the new Waste Management Depot at North Weald Airfield (£2.137 million). The project is in the early stages of design with current spend mainly directed towards consultancy and fees. Construction of the new facility is now expected to commence in January 2024 and be completed by October 2024. The underspend will therefore be re-profiled into 2024/25; and
- **Corporate Services (£1.805 million Underspend)** - the most significant area of capital underspending relates to the ICT Strategy, which has a budget allocation of £3.807 million for 2023/24. The projected outturn is now £2.208 million, which if this materialises, would lead to an underspend of £1.719 million. The current ICT strategy is now under review, with major schemes related to Workplace Collaboration, Digitisation, and Application Strategy expected to be completed during the year, along with a new ICT Security System and a new Telephony System. Some projects, including the new Finance System, a cloud-based Information at Work System, and planned improvements to the Customer Portal have commenced but are unlikely to be completed this year, so will be re-profiled into 2024/25. A further four schemes (total value £384,000), including a new Bookings/CRM Portal (£187,000) and a Virtual Desktop Infrastructure (VDI) Solution (£160,000) have been delayed, and will be re-profiled to be complete in 2024/25.

## 6) Housing Revenue Account (HRA) Capital Programme

6.1 The Housing Revenue Account (HRA) Capital Programme for 2023/24 as at 30th June 2023 is summarised in the table below. A more detailed analysis – at a scheme level – is included in **Appendix C**. The updated Programme budget totals £70.731 million. Spending in the first 3 months was £1.116 million, with a forecast outturn of £52.202 million, which – if this materialises – would lead to an underspend of £18.529 million.

HRA Capital Programme 2023/24 (Quarter 1)					
Description	Budget 2023/24 (Updated)	Spending (@ 30 June 2023)	Remaining Budget (@ 30 June 2023)	Forecast Spending (31/03/24)	Variance (Under) / Over
	£000's	£000's	£000's	£000's	£000's
Housing Development	35,625	188	35,437	21,231	(14,394)
Capital Works	23,819	554	23,265	22,609	(1,210)
Other Housing Schemes	11,287	374	10,913	8,362	(2,925)
<b>Total Expenditure</b>	<b>70,731</b>	<b>1,116</b>	<b>69,615</b>	<b>52,202</b>	<b>(18,529)</b>
<i>Capital Financing:</i>					
Direct Revenue Contributions	1,364	0	1,364	1,364	0
Major Repairs Reserve	9,137	0	9,137	17,486	8,349
Capital Receipts	1,599	827	772	1,977	378
Other Contributions	1,267	289	978	3,106	1,839
Borrowing	57,364	0	57,364	28,269	(28,915)
<b>Total Financing</b>	<b>70,731</b>	<b>1,116</b>	<b>69,615</b>	<b>52,202</b>	<b>(18,529)</b>

6.2 An HRA Capital Programme budget of £35.019 million was approved by Council in February 2023. A net total of £35.712 million in unspent budgets have been rolled forward from 2022/23, resulting in an updated Programme budget of £70.731 million for the year.

6.3 There are three significant areas of underspending/slippage on the HRA Capital Programme at the Quarter 1 stage. Thus:

- **Housing Development (£14.394 million forecast Underspend)** – there are two elements to note:
  - **Housebuilding (£10.745 million Underspend)** – the programme has a total budget of £15.724 million for 2023/24. The forecast outturn is £7.765 million, which – if this materialises – would lead to an underspend of £7.956 million at year end. Most schemes have encountered planning issues and delays with expected starts now anticipated in the either the final quarter of 2023/24 or early 2024/25. However, two schemes – at Pentlow Way and Woollard Street – are progressing well, with completion now anticipated by year end; and
  - **Qualis Acquisitions (£6.435 million Underspend)** – the budget allocation for this scheme in 2023/24 was £19.435 million. Forecast spending is now £13.0 million, which – if this materialises – would lead to an underspend of £6.435 million. Negotiations are progressing with a view to Qualis purchasing some completed units at the Roundhills and Pyrles Lane development sites, although this may slip into 2024/25.

- **Other Housing Schemes (£2.925 million forecast Underspend)** – the Broadway Regeneration project is the dominant factor, which is driving the variance. It has a total budget of £2.728 million in 2023/24, of which only a very small proportion is expected to be spent (on fees) this financial year resulting in a forecast underspend of £2.628 million. A detailed review of the project has been undertaken and a report presented to Cabinet on 13th March 2023 (C-044-2022/23) approving an increase of the overall project budget to £6.0 million. Consultation with residents and leaseholders is due to commence during the year; followed by any necessary planning consents. The project is expected to complete by 2025/26; and
- **Capital Works (£1.210 million forecast Underspend)** – there is one significant underspend driving this variance related to Net Zero Carbon Works (£1.20 million). The Council secured funding from the Social Housing Decarbonisation Fund (SHDF) in February 2023 in partnership with E-on to improve energy efficiency in Council homes through various measures including cavity wall insulation. The match funded project aims to complete by September 2024; the unspent budget from this financial year will be re-profiled into 2024/25.

6.4 The HRA Capital Programme is financed from several sources; external sources such as Grants and Capital Receipts are prioritised and applied first, followed by internal resources such as the Major Repairs Reserve and HRA Revenue contributions. The approach minimises the need to borrow and helps protect the HRA from higher interest payments. The forecast underspend on the Programme has an impact on all sources of financing with the most significant being a £28.915 million reduction in the need to borrow in 2023/24.

## 7) Wider Financial Performance & Risk

### 7.1 Introduction

7.1.1 This (quarterly) Budget Monitoring report has been purposely developed in recent years, through the incremental inclusion of emerging good practice in order to improve transparency and aid effective scrutiny and decision-making. This section of the report, represents a further expansion of that approach in considering the following:

- **Performance Indicators** – covering the Council's wider financial performance, including how effectively it collects its income and pays its bills, through setting, monitoring, and reporting on a selected range of Indicators.
- **Prudential Indicators** - it is now a requirement of the CIPFA Prudential Code (2021 Edition) that progress against the Prudential Indicators adopted in the Council's Capital Strategy is reported on a quarterly basis. It is good practice to report these alongside updates on the Capital Programme, providing Members with further insight on how the Council manages its capital expenditure, borrowing and commercial and service investments; and
- **HRA Local Indicators** – In accordance with generally accepted good practice across the wider social housing sector, the Council's adopted Capital Strategy also includes two further (optional) 'local indicators', tailored to the risk management requirements of the HRA Business Plan.

## 7.2 Performance Indicators

### Accounts Payable (Payment of Invoices)

- 7.2.1 The prompt payment of invoices is an important objective for any business but – as a community leader and ‘place shaper’ – it is even more important that the Council leads by example; suppliers, including many small local businesses, are reliant on the cash flow generated by the services they provide to the Council; being viewed as ‘good to do business with’ also enhances the Council’s reputation. There are also negative cost implications associated with the late Payment of Invoices; it is often symptomatic of inefficient administration processes and penalties for late payment can also be triggered. The Council therefore records and monitors the payment of invoices using a 30-Day Indicator and also measures the time taken to pay invoices. Performance as at Quarter 1 is presented in the table below.

Payment of Invoices 2023/24								
Description	Quarter 1		Quarter 2		Quarter 3		Quarter 4	
	23/24	22/23	23/24	22/23	23/24	22/23	23/24	22/23
Invoices Paid in 30 Days (%)	88%	70%		76%		77%		81%
Average Days to Pay an Invoice	20	36		32		31		26

- 7.2.2 The table above clearly shows an improving trend in the Payment of Invoices over the last 15 months, which has been maintained in Quarter 1 this year.

- 7.2.3 Members should note that, due to current system limitations, it is not practical to record the date that invoices are physically received; the indicators above therefore measure from invoice date only, which means that – in practice – payment performance will be higher in many cases. Nevertheless, performance is measured on a ‘like-for-like’ basis, which allows performance to be tracked.

### Accounts Receivable (Sundry Debt Collection)

- 7.2.4 It is also important that the Council efficiently collects all of the income that it is due. Failure to do that can be costly both in terms of process inefficiencies and the potential write-off of uncollectable debt.

- 7.2.5 General Fund income – to a large extent – comprises general Fees and Charges which are paid by the customer before the service is provided (e.g., Car Parking charges). However, some income sources are billed and collected through the Accounts Receivable (“Sundry Debts”) system. This includes periodic payments (e.g., Commercial Property Rents) or income collected in arrears (e.g., the recoupment of Bed & Breakfast payments incurred by the Homelessness service). The collection of Local Tax (Council Tax and Business Rates) – raised and collected through the “Academy” system – is considered separately below (see paragraphs 7.2.8 and 7.2.9).

- 7.2.6 The collection of Sundry Debts was, for many years, an individual service responsibility, although the system has – more recently – been consolidated into a single service function (within the Revenues service). The Council records and monitors the Collection of Sundry Debts using a 60-Day Indicator and also measures the age of outstanding debt. Performance as at Quarter 1 is presented in the table below.

<b>Sundry Debt Collection 2023/24</b>			
<b>Description</b>	<b>Quarter 1</b>		
	<b>April</b>	<b>May</b>	<b>June</b>
Average Age of Outstanding Sundry Debt (Days)	1,574 Days	1,568 Days	1,576 Days
Total Value of Debt Outstanding over 60 Days Old (£'s)	£3.313 Million	£3.783 Million	£3.347 Million

7.2.7 The implementation of the “ASH” Debtors system (which went live in August 2021, with data transferring in December 2021) proved to be a difficult exercise, which led to a number of data anomalies and a work backlog. The situation was further compounded by a shortfall in staff resources. Both factors conspired to the detriment of collection performance but, more recently, substantial progress is being made, with older cases being reviewed, remaining data anomalies addressed, and backlogs eliminated. The Sundry Debts function is now given a high priority and is better resourced (e.g., the latest available performance information – as at 31st August 2023 – shows that the Average Age of Outstanding Debt has declined to 1,461 days). A further progress update will be provided to Members in the Quarter 2 report.

#### Local Tax Collection

7.2.8 The prompt collection of Council Tax and Business Rates is essential if the Council is to maximise resources from its major funding sources for the benefit of protecting local services. Experience shows that the longer debts remain outstanding, the harder they are to collect, which ultimately leads to an increase in write-offs; this has a negative impact on the Council’s General Fund Reserve and reduces funds available to support Net Expenditure. The table below sets out the Collection Rates achieved for Council Tax and Business Rates in Quarter 1.

<b>Local Tax Collection Rates 2023/24 (Quarter 1)</b>		
	<b>30th June 2023</b>	<b>30th June 2022</b>
Council Tax collected (%)	27.18%	26.97%
Business Rates collected (%)	28.51%	28.95%

7.2.9 The table above shows a mixed picture, although it is too early in the financial year to draw any firm conclusions. It is a difficult financial backdrop generally and there has been a Business Rates Revaluation (which has increased bills by an average of 14%) effective from 2023/24. Council Tax collection performance is encouraging, especially in the light of significant fears that collection would be negatively impacted as the ‘cost of living crisis’ continues.

### **7.3 Prudential Indicators**

7.3.1 The Council is required by regulation to have regard to the Prudential Code (the Code) when carrying out its duties under Part 1 of the Local Government Act 2003. The 2017 edition of the Code first introduced a requirement to produce and adopt a Capital Strategy, including a range of (previously established) capital-related “Prudential Indicators”. The updated 2021 edition of the Code revised and further strengthened – with effect from 2023/24 – the capital reporting obligations of the Council. This includes a new quarterly reporting requirement.

7.3.2 In compliance with the 2021 Code, and recommended good practice, this report now provides an updated position on the Prudential Indicators included in the Capital Strategy (2023/24 to 2025/26) adopted by the Council in February 2023 as follows:

- Capital Expenditure
- Capital Financing Requirement (CFR)
- Gross Debt and the Capital Financing Requirement
- Debt and the Authorised Limit and Operational Boundary
- Net Income from Commercial and Service Investments to Net Revenue Stream; and
- Proportion of Financing Costs to Net Revenue Stream.

Capital Expenditure

7.3.3 The Council has undertaken and is planning capital expenditure as summarised in the table below.

Description	2022/23 Actual	2023/24 Forecast (Q1)	2024/25 Budget	2025/26 Budget
	£000's	£000's	£000's	£000's
General Fund (GF)	3,949	31,731	19,773*	4,541*
Qualis Investments (GF)	8,000	34,472	22,100*	0*
Housing Revenue Account	15,875	52,202	43,964*	29,326*
<b>TOTALS</b>	<b>27,824</b>	<b>118,405</b>	<b>85,837*</b>	<b>33,867*</b>

\*Capital Strategy budgets unchanged (to be updated in Quarter 3)

7.3.4 A detailed analysis of the capital projects included in the table above is presented in *Appendix B* (General Fund and Qualis Investments) and *Appendix C* (Housing Revenue Account).

Capital Financing Requirement (CFR)

7.3.5 The Council's cumulative outstanding debt is measured by the Capital Financing Requirement (CFR). This increases with new debt-financed capital expenditure and reduces with Minimum (MRP) and capital receipts used to replace debt.

Description	2022/23 Actual	2023/24 Forecast (Q1)	2024/25 Budget	2025/26 Budget
	£000's	£000's	£000's	£000's
General Fund (including Qualis Investments)	159,088	215,799	243,588*	240,679*
Housing Revenue Account	154,475	187,537	202,142*	214,438*
<b>TOTAL CFR</b>	<b>313,563</b>	<b>403,336</b>	<b>445,730*</b>	<b>455,117*</b>

\*Capital Strategy budgets unchanged (to be updated in Quarter 3)

7.3.6 The table above shows that there has been little change compared to the CFR budget estimate for 2023/24 included in the Capital Strategy (formulated in January 2023), with a Quarter 1 forecast (as at 30th June 2023) of £403.3 million (compared to the Capital Strategy estimate of £388.9 million).

Gross Debt and the Capital Financing Requirement

7.3.7 Statutory guidance requires debt to remain below the Capital Financing Requirement, except in the short term. The Council has complied and expects to continue to comply with this requirement in the medium term as is shown below.

Description	2022/23 Actual	2023/24 Forecast (Q1)	2024/25 Budget	2025/26 Budget	Actual Debt (30/06/23)
	£M's	£M's	£M's	£M's	£M's
Outstanding Debt (including leases)	281.6	336.3	219.0*	216.7*	286.8
Capital Financing Requirement (CFR)	313.6	403.3	445.7*	455.1*	N/A

\*Capital Strategy budgets unchanged (to be updated in Quarter 3)

Debt and the Authorised Limit and Operational Boundary

7.3.8 The Council is legally obliged to set an affordable borrowing limit (also termed the "Authorised Limit" for external debt) each year. In line with statutory guidance, a lower "Operational Boundary" is also set as a warning level should debt approach the limit.

Description	Q1 2023/24 Maximum	30/06/23 Actual	Operational Boundary 2023/24	Authorised Limit 2023/24	Complied? (Yes/No)
	£000's	£000's	£000's	£000's	£000's
Borrowing	286,764	286,764	443,184	453,184	Yes
PFI and Finance Leases	0	0	0	0	Yes
<b>Total Debt</b>	<b>286,764</b>	<b>286,764</b>	<b>443,184</b>	<b>453,184</b>	<b>Yes</b>

7.3.9 The table above shows that the Council continues to operate well within its Authorised Limit and Operational Boundary.

Net Income from Commercial and Service Investments to Net Revenue Stream

7.3.10 The Council's income from commercial and service investments as a proportion of its net revenue stream has been and is expected to be as indicated below.

Description	2022/23 Actual	2023/24 Forecast (Q1)	2024/25 Budget	2025/26 Budget
	£000's	£000's	£000's	£000's
Total Net Income from Service and Commercial Investments	10,428	11,003	12,097*	12,434*
Proportion of Net Revenue Stream	66%	65%	72%*	72%*

\*Capital Strategy budgets unchanged (to be updated in Quarter 3)

7.3.11 The 65% forecast for 2023/24 compares to an expectation of 69% in the Capital Strategy. This partly reflects reduced income expectations from Qualis loans, including reduced margins as a consequence of rising PWLB borrowing rates. It also reflects a series of reduced rental incentives on new Commercial Property leases (income from these leases will increase as full rentals become payable by tenants).

### Proportion of Financing Costs to Net Revenue Stream

- 7.3.12 Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue, offset by any investment income receivable. The net annual charge is known as Financing Costs; the 'standard' CIPFA Prudential Indicator compares this to "Net Revenue Stream" (the amount funded from Council Tax, Business Rates, and general Government grants).
- 7.3.13 However, the standard definition of Net Revenue Stream does not adequately take account of the circumstances of Epping Forest District Council, which has had – for many years – a major income stream from Commercial Property and – more recently – an additional income stream from Qualis loan margins. Factoring in those two major sources of income produces a more meaningful Prudential Indicator, tailored to the specific circumstances of this Council. The 'local' Prudential Indicator is presented in the table below, alongside the standard CIPFA Indicator (for comparison purposes only).

General Fund Financing Costs	2022/23 Actual	2023/24 Forecast (Q1)	2024/25 Budget	2025/26 Budget
	£000's	£000's	£000's	£000's
Financing Costs	3,547	5,508	8,516*	9,048*
Proportion of Net Revenue Stream (Standard CIPFA Indicator)	22%	33%	50%*	52%*
<b>Proportion of Net Revenue Stream (Local Indicator)</b>	<b>13%</b>	<b>19%</b>	<b>27%*</b>	<b>27%*</b>

*\*Capital Strategy budgets unchanged (to be updated in Quarter 3)*

- 7.3.14 Unsurprisingly Financing Costs are beginning to increase slightly as a proportion of Net Revenue Stream, with both the 'standard' and 'local' forecasts for 2023/24 now 1% higher than assumed within the Capital Strategy (although the dampening effect of increasing interest receipts and robust Commercial Property income should be noted). This is an indicator, which will be closely monitored in the build up to developing the 2024/25 budget.

## **7.4 HRA Local Indicators**

- 7.4.1 The requirement to borrow and the risk associated with HRA borrowing can be distinguished from that of the General Fund. The HRA is underpinned by a very large property portfolio (6,442 properties, with a Balance Sheet value of £806.892 million as at 31st March 2023). Accordingly, the different risk profile is reflected within the capital financing rules e.g., the Local Government Act 2003 established the requirement for councils to put aside resources (through making a "Minimum Revenue Provision") to repay debt in later years; it was (still is) a legal requirement that only applies to General Fund borrowing.
- 7.4.2 Nevertheless, HRA borrowing is not risk free; HRA capital investment plans must be just as prudent, affordable, and sustainable as General Fund capital investment plans. Two local indicators have therefore been developed, which are used to gauge, and provide assurance, around the Council's HRA borrowing plans.



#### Loan to Value

7.4.3 This indicator is widely used as a measure of default risk by lenders in Housing finance. It is determined by calculating the outstanding debt as a proportion of the total value of assets.

Description	2022/23 Actual	2023/24 Estimate	2023/24 Forecast (Q1)
	Ratio	Ratio	Ratio
Loan to Value	0.19	0.19	0.22
<b>Target Maximum (LTV)</b>	<b>0.70</b>	<b>0.70</b>	<b>0.70</b>

7.4.4 It can be seen from the table above that, based on current projections, HRA borrowing plans are well within acceptable Loan to Value limits.

#### HRA Interest Cover

7.4.5 This is a financing indicator and reflects how able the HRA is to meet interest costs from its Net Cost of Services.

Description	2022/23 Actual	2023/24 Estimate (Updated)	2023/24 Forecast (Q1)
	Ratio	Ratio	Ratio
HRA Interest Cover	1.02	1.25	1.17
<b>Target Minimum (IC)</b>	<b>1.25</b>	<b>1.25</b>	<b>1.25</b>

7.4.6 It can be seen from the table above that based on current projections, the HRA Interest cover ratio has fallen marginally below the target minimum set by the Council due to substantial major Void repair costs increasing the Net Cost of Service forecast. It is however an improvement on the outturn for 2022/23 (also impacted by higher Void costs).

7.4.7 The future costs associated with Voids is difficult to predict. However, a Stock Condition Survey is now being concluded and a more in-depth Asset Management Strategy is being developed, which will provide more detailed information on the current status of the Council's assets and any resultant major works. Such intelligence will assist in navigating this indicator moving forwards.

**Reason for Decision:**

This report facilitates the scrutiny of the Council's financial position for 2023/24.

The comments made at this Committee, where relevant, will be reported to Cabinet for consideration at their meeting on 13th November 2023.

**Options:**

There are no matters for decision in this report. The Committee is asked to note the contents but may choose to take further action depending on the matters reported.

**Resource Implications:**

The resource implications in this report are overwhelmingly financial in nature, in the form of budgetary control. Robust budget monitoring processes maximise the opportunity for services to react quickly to potential problems as they emerge, thus reducing the risk of financial problems, impeding the delivery of strategic priorities.

**Legal and Governance Implications:**

The Council has a statutory obligation to maintain a balanced budget and the monitoring process enables the Committee to remain aware of issues and the process to maintain a balanced budget.

**Safer, Cleaner, Greener Implications:**

There are no SCG implications.

**Consultation Undertaken:**

The development of the detailed 2023/24 budget was informed by the democratic scrutiny processes.

**Background Papers:**

Management Accounts 2023/24 (Month 3)

**Risk Management**

The report is primarily presented for information, although some risk management implications are contained in Section 7. Regular monitoring and reporting of the issues included in this report ensures early warning of significant issues that may place the Council at financial risk. This gives the Cabinet the best opportunity to take actions to mitigate such risks.

## General Fund Revenue Budget 2023/24

## Quarter 1 Forecast

Epping Forest DC: General Fund Revenue Budget 2023/24							
@ 30 June 2023 (Month 3)							
<b>General Fund</b>							
Service Area	Activity	Full Year Budget £'s	Net Expenditure			Forecast £'s	Variance £'s
			Budget (M9) £'s	Actual £'s	Variance £'s		
Chief Executive	Chief Executive Support Services	550,030	137,508	146,444	8,937	550,466	436
	Corporate Activities	73,740	18,435	20,971	2,536	62,201	(11,539)
	Chief Executive Other Activities	31,500	7,875	-	(7,875)	31,500	-
	<b>Sub-Total</b>	<b>655,270</b>	<b>163,818</b>	<b>167,415</b>	<b>3,598</b>	<b>644,167</b>	<b>(11,103)</b>
Commercial & Technical Services	Car Parking	(548,140)	(137,035)	(128,358)	8,677	(469,047)	79,093
	C&T Community & Partnership	195,250	48,813	5,607	(43,206)	195,250	-
	Contracts & Technical Support Services	2,172,960	543,240	423,070	(120,171)	2,239,190	66,230
	Cost Centres - Contracts & Technical	3,554,670	888,668	784,832	(103,835)	3,626,893	72,223
	C&T Emergency Planning & Other	(1,830)	(458)	(833)	(376)	2,700	4,530
	Environmental Health	242,010	60,503	10,660	(49,842)	233,010	(9,000)
	Land Drainage/Sewerage	113,090	28,273	15,543	(12,730)	124,260	11,170
	Land & Property	(8,087,160)	(2,021,790)	(1,809,654)	212,136	(7,993,925)	93,235
	Leisure Facilities	(905,880)	(226,470)	20,666	247,136	(903,839)	2,041
	North Weald Centre	(515,340)	(128,835)	(396,706)	(267,871)	(619,343)	(104,003)
	Parks & Grounds	514,100	128,525	2,162	(126,363)	547,712	33,612
	Private Sector Housing	(112,170)	(28,043)	(40,377)	(12,335)	(162,170)	(50,000)
	C&T Regulatory Services	(233,910)	(58,478)	(47,066)	11,411	(232,280)	1,630
	Waste Management	5,672,670	1,418,168	917,529	(500,639)	5,592,284	(80,386)
<b>Sub-Total</b>	<b>2,060,320</b>	<b>515,080</b>	<b>(242,927)</b>	<b>(758,007)</b>	<b>2,180,695</b>	<b>120,375</b>	
Community & Wellbeing	Community, Health & Wellbeing	72,060	18,015	(85,654)	(103,669)	80,795	8,735
	Cost Centres - Community & Wellbeing	416,790	104,198	107,853	3,656	444,170	27,380
	Economic Projects Support Serv	215,050	53,763	23,917	(29,845)	98,165	(116,885)
	Homelessness	73,360	18,340	175,675	157,335	131,456	58,096
	Museum, Heritage & Culture	481,030	120,258	158,171	37,914	470,297	(10,733)
	Voluntary Sector Support	219,470	54,868	(3,320)	(58,188)	219,470	-
	<b>Sub-Total</b>	<b>1,477,760</b>	<b>369,440</b>	<b>376,643</b>	<b>7,203</b>	<b>1,444,353</b>	<b>(33,407)</b>
Corporate Services	Business Support	1,630,990	407,748	262,872	(144,875)	1,649,391	18,401
	Cost Centres - Corporate Support	307,500	76,875	91,172	14,297	344,921	37,421
	Elections	208,860	52,215	90,833	38,618	186,058	(22,802)
	Emergency Planning & Other	79,250	19,813	21,872	2,059	86,384	7,134
	ICT	3,625,730	906,433	1,635,441	729,008	3,575,681	(50,049)
	Insurance Premiums	719,750	179,938	17,186	(162,752)	719,750	-
	Corp Serv - Member Activities	370,400	92,600	88,217	(4,383)	370,290	(110)
	Other Support Services	1,886,170	471,543	403,160	(68,382)	1,834,705	(51,465)
	Strategy Support Services	219,360	54,840	58,701	3,861	225,060	5,700
	<b>Sub-Total</b>	<b>9,048,010</b>	<b>2,262,003</b>	<b>2,669,453</b>	<b>407,450</b>	<b>8,992,240</b>	<b>(55,770)</b>
Customer Services	Cost Centres - Customer Services	2,404,772	601,193	604,397	3,204	2,426,140	21,368
	Customer Support Services	1,671,920	417,980	391,675	(26,305)	1,676,365	4,445
	Housing Benefits	(1,175,090)	(293,773)	(65,695)	(228,078)	(818,808)	356,282
	Local Taxation	(771,660)	(192,915)	(64,685)	128,230	(784,800)	(13,140)
	Customer Services - Members Activities	27,800	6,950	12,610	5,660	27,800	-
<b>Sub-Total</b>	<b>2,157,742</b>	<b>539,436</b>	<b>878,302</b>	<b>338,867</b>	<b>2,526,697</b>	<b>368,955</b>	
Finance & Audit	Audit Support Services	304,850	76,213	300,140	223,928	300,140	(4,710)
	Finance Support Services	1,254,140	313,535	105,791	(207,744)	1,260,480	6,340
	Finance & Other Activities	509,630	127,408	-	(127,408)	509,630	-
<b>Sub-Total</b>	<b>2,068,620</b>	<b>517,155</b>	<b>405,931</b>	<b>(111,224)</b>	<b>2,070,250</b>	<b>1,630</b>	
Housing & Property	Accommodation	469,530	117,383	431,553	314,170	431,553	(37,977)
	Cost Centres - Housing & Property	468,550	117,138	468,550	351,413	468,550	-
	Facilities & Depot Management	525,530	131,383	543,475	412,093	543,475	17,945
	Housing & Property Support Services	382,010	95,503	380,132	284,630	380,132	(1,878)
<b>Sub-Total</b>	<b>1,845,620</b>	<b>461,405</b>	<b>1,823,710</b>	<b>1,362,305</b>	<b>1,823,710</b>	<b>(21,910)</b>	
Place	Place - Community & Partnership	34,940	8,735	(54,312)	(63,047)	35,414	474
	Cost Centres - Place	245,260	61,315	58,511	(2,804)	238,285	(6,975)
<b>Sub-Total</b>	<b>280,200</b>	<b>70,050</b>	<b>4,200</b>	<b>(65,850)</b>	<b>273,699</b>	<b>(6,501)</b>	
Planning & Development	Cost Centres - Planning Services	2,281,190	570,298	520,633	(49,664)	2,389,710	108,520
	Local Plan Implementation	807,810	201,953	(205,895)	(407,848)	901,787	93,977
	Planning & Development	(2,051,570)	(512,893)	(276,374)	236,518	(1,913,484)	138,086
	Planning Support Services	305,390	76,348	52,834	(23,514)	212,885	(92,505)
	Regulatory Services	(582,710)	(145,678)	(148,357)	(2,679)	(264,177)	318,533
<b>Sub-Total</b>	<b>760,110</b>	<b>190,028</b>	<b>(57,159)</b>	<b>(247,187)</b>	<b>1,326,721</b>	<b>566,611</b>	
Strategy, Delivery & Performance	Strategy - Other Activities	83,510	20,878	34,388	13,511	82,630	(880)
	Strategy, Delivery & Performance Support Services	737,318	184,330	112,836	(71,493)	669,592	(67,726)
	<b>Sub-Total</b>	<b>820,828</b>	<b>205,207</b>	<b>147,224</b>	<b>(57,983)</b>	<b>752,222</b>	<b>(68,606)</b>
<b>General Fund Total</b>	<b>21,174,480</b>	<b>5,293,620</b>	<b>6,172,792</b>	<b>879,172</b>	<b>22,034,754</b>	<b>860,274</b>	
	<b>Qualis Income</b>	(2,851,520)	-	-	-	(2,582,598)	268,922
	<b>HRA Recharges</b>	(4,984,450)	-	-	-	(4,674,450)	310,000
	<b>Financing</b>						
	<i>Interest (exc. Qualis):</i>						
	Interest Receivable	(478,500)	-	-	-	(719,400)	(240,900)
	Interest Payable	2,807,130	-	-	-	3,674,299	867,169
	Minimum Revenue Provision	1,261,000	-	-	-	1,162,000	(99,000)
	Specific Contingency (Qualis)	712,880	-	-	-	268,922	(443,958)
<b>General Fund (Net Expenditure)</b>		<b>17,641,020</b>	<b>5,293,620</b>	<b>6,172,792</b>	<b>879,172</b>	<b>19,163,527</b>	<b>1,522,507</b>

## General Fund Capital Programme 2023/24

## Quarter 1 Forecast

General Fund Capital Programme 2023/24: Quarter 1 Forecast										
Scheme	2022/23 Budget Outturn (xtract)			2023/24 Budget			2023/24 Budget Progress (@ 30th June 2023 - Q1)			
	2022/23 Unspent / (Overspend) Balances	(Savings) / Overspends not of fwd	Balances Rolled Forward into 2023/24	2023/24 Budget Allocation	Q1 Changes	2023/24 Budget (Updated)	Actuals to Q1	Remaining Budget	Forecast Outturn 2023/24	Forecast (Uspend)/ O spend 2023/24
	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s
<b>Community &amp; Wellbeing</b>										
Joint Museum and Library Facility	770,000	(770,000)	-	-	-	-	-	-	-	-
<b>Sub-Totals</b>	<b>770,000</b>	<b>(770,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Commercial &amp; Technical</b>										
Cartersfield Road	1,060,979	-	1,060,979	-	-	1,060,979	51,448	1,009,531	585,187	(475,792)
Investment Property Acquisition Fund	596,497	-	596,497	-	1,500,000	2,096,497	-	2,096,497	2,039,100	(57,397)
Princess of Wales PH - lease acquisition	(695,489)	695,489	-	-	-	-	-	-	-	-
EFDC Shopping Park	-	-	-	-	-	-	(38,603)	38,603	57,397	57,397
Centric Parade Redevelopment	-	-	-	-	-	-	-	-	-	-
CCTV Replacement Programme	69,375	(47,373)	22,000	25,000	-	47,000	-	47,000	25,000	(22,000)
CarPark CCTV Systems	13,080	(3,080)	10,000	25,000	-	35,000	-	35,000	25,000	(10,000)
Superfast Broadband (REFCUS)	350,000	-	350,000	-	-	350,000	-	350,000	350,000	-
Disabled Facilities Grants (REFCUS)	31,250	(31,250)	-	971,210	-	971,210	145,735	825,475	930,000	(41,210)
Home Assist Grants (REFCUS)	20,480	(20,480)	-	30,000	-	30,000	-	30,000	10,000	(20,000)
Civic Offices Café External Access	175,979	(175,979)	-	-	-	-	-	-	-	-
Highway Ranger Vehicle & Equipment	40,000	-	40,000	-	-	40,000	-	40,000	40,000	-
Highways - Pavement Widening Scheme	-	-	-	100,000	-	100,000	-	100,000	-	(100,000)
Grounds Maintenance	38,295	-	38,295	30,000	-	68,295	-	68,295	55,000	(13,295)
Highways (REFCUS)	97,564	(1,500)	96,064	-	-	96,064	-	96,064	96,064	-
H2 Taxiway (ex NWA Prep Phase 1)	156,112	-	156,112	-	-	156,112	19,870	136,242	25,000	(131,112)
NWA Employment Land Develop	-	-	-	-	-	-	-	-	-	-
NWA Vehicles & Equipment	(18,855)	18,855	-	-	-	-	-	-	-	-
NWA Aviation Development	-	-	-	-	-	-	-	-	-	-
NWA Waste Depot	-	-	-	4,167,000	-	4,167,000	-	4,167,000	2,000,000	(2,167,000)
Waste Vehicle Fleet Replacement	-	-	-	9,220,000	-	9,220,000	-	9,220,000	9,220,000	-
Vehicle Fleet Replacement & OHD Equipment	245,015	-	245,015	-	-	245,015	69,710	175,305	245,015	-
Leisure Centre Energy Saving Schemes	-	-	-	155,640	-	155,640	150,125	5,515	150,125	(5,515)
Epping Leisure Centre (Bakers Lane)	10,857,070	-	10,857,070	1,312,560	-	12,169,630	58,024	12,131,606	12,000,000	(169,630)
<b>Sub-Totals</b>	<b>13,037,350</b>	<b>434,682</b>	<b>13,472,032</b>	<b>16,036,410</b>	<b>1,500,000</b>	<b>31,008,442</b>	<b>436,309</b>	<b>30,572,133</b>	<b>27,852,888</b>	<b>(3,155,554)</b>
<b>Corporate Services</b>										
ICT General Schemes	170,483	-	170,483	95,000	-	263,483	2,958	260,525	177,706	(85,777)
ICT Strategy	2,841,192	-	2,841,192	1,086,000	-	3,927,192	120,224	3,806,968	2,208,372	(1,718,820)
Civic Offices Accommodation Project (ICT)	(1,341)	1,341	-	-	-	-	-	-	-	-
<b>Sub-Totals</b>	<b>3,010,334</b>	<b>1,341</b>	<b>3,011,675</b>	<b>1,179,000</b>	<b>-</b>	<b>4,190,675</b>	<b>123,182</b>	<b>4,067,493</b>	<b>2,386,078</b>	<b>(1,804,597)</b>
<b>Customer Services</b>										
Council Chamber Upgrade	147,649	-	147,649	-	-	147,649	-	147,649	-	(147,649)
<b>Sub-Totals</b>	<b>147,649</b>	<b>-</b>	<b>147,649</b>	<b>-</b>	<b>-</b>	<b>147,649</b>	<b>-</b>	<b>147,649</b>	<b>-</b>	<b>(147,649)</b>
<b>Housing (Property Services)</b>										
Oakwood Hill Depot Extension	(18,155)	18,155	-	-	-	-	-	-	-	-
Investment Properties (Planned Works)	187,577	(147,831)	39,846	250,000	(77,605)	212,241	-	212,241	212,241	-
202-220 Loughton HR - roof and H & S works	(147,831)	147,831	-	-	77,605	77,605	-	77,605	77,605	-
Operational Properties (Planned Works)	295,732	(18,433)	277,299	86,000	-	363,299	41,332	321,967	363,299	-
<b>Sub-Totals</b>	<b>317,423</b>	<b>(278)</b>	<b>317,145</b>	<b>336,000</b>	<b>-</b>	<b>653,145</b>	<b>41,332</b>	<b>611,813</b>	<b>653,145</b>	<b>-</b>
<b>Place</b>										
UK Prosperity Fund Projects	-	-	-	-	161,784	161,784	-	161,784	161,784	-
Climate & Environmental Projects	676,984	-	676,984	-	-	676,984	-	676,984	676,984	-
<b>Sub-Totals</b>	<b>676,984</b>	<b>-</b>	<b>676,984</b>	<b>-</b>	<b>161,784</b>	<b>838,768</b>	<b>-</b>	<b>838,768</b>	<b>838,768</b>	<b>-</b>
<b>Qualls</b>										
Regeneration Finance Loans	88,247,500	(88,247,500)	-	40,010,000	-	40,010,000	4,750,000	35,260,000	34,472,165	(5,537,835)
<b>Sub-Totals</b>	<b>88,247,500</b>	<b>(88,247,500)</b>	<b>-</b>	<b>40,010,000</b>	<b>-</b>	<b>40,010,000</b>	<b>4,750,000</b>	<b>35,260,000</b>	<b>34,472,165</b>	<b>(5,537,835)</b>
<b>Total Expenditure</b>	<b>106,207,240</b>	<b>(88,581,755)</b>	<b>17,625,485</b>	<b>57,561,410</b>	<b>1,661,784</b>	<b>76,848,679</b>	<b>5,350,823</b>	<b>71,497,856</b>	<b>66,203,044</b>	<b>(10,645,635)</b>
<b>Capital Financing Analysis:</b>										
Borrowing	105,989,088	(88,363,603)	17,625,485	55,582,920	1,500,000	74,708,405	5,078,139	69,630,266	64,295,839	(10,412,566)
Capital Grants	218,152	(218,152)	-	971,210	161,784	1,132,994	145,735	987,259	1,091,784	(41,210)
Capital Receipts	-	-	-	1,007,280	-	1,007,280	126,949	880,331	815,421	(191,859)
<b>Total Financing</b>	<b>106,207,240</b>	<b>(88,581,755)</b>	<b>17,625,485</b>	<b>57,561,410</b>	<b>1,661,784</b>	<b>76,848,679</b>	<b>5,350,823</b>	<b>71,497,856</b>	<b>66,203,044</b>	<b>(10,645,635)</b>

## Housing Revenue Account Capital Programme 2023/24

## Quarter 1 Forecast

HRA Capital Programme 2023/24: Quarter 1 Forecast										
Schemes	2022/23 Budget Outturn (Extract)			2023/24 Budget			2023/24 Budget Progress (@ 30 June 2023 - Q1)			
	2022/23 Unspent/ (Over)spent Balances	(Savings) / Overspends not c/fwd	Balances Rolled Forward Into 2023/24	2023/24 Budget Allocation	Q1 Changes	23/24 Budget (Updated)	Actuals to Q1	Remaining Budget	Forecast Outturn 2023/24	Forecast (Us)pend/(Os)pend 2023/24
	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s
<b>Housing Development Programme:</b>										
Housebuilding	10,965,260	-	10,965,260	3,375,500	1,383,590	15,724,350	187,558	15,536,792	7,764,730	(7,959,620)
Qualls Acquisitions	10,461,190	-	10,461,190	8,973,500	-	19,434,690	-	19,434,690	13,000,000	(6,434,690)
Development Land Purchases	1,850,000	-	1,850,000	-	(1,383,590)	466,410	-	466,410	466,410	-
<b>Sub-Totals</b>	<b>23,276,450</b>	<b>-</b>	<b>23,276,450</b>	<b>12,349,000</b>	<b>-</b>	<b>35,625,450</b>	<b>187,558</b>	<b>35,437,892</b>	<b>21,231,140</b>	<b>(14,394,310)</b>
<b>Capital Works:</b>										
Heating	393,830	(144,870)	248,960	1,724,000	-	1,972,960	55,370	1,917,590	1,972,960	-
Windows, Door and Roofing	1,224,510	32,780	1,257,290	6,386,110	(2,137,270)	5,506,130	59,275	5,446,855	5,500,110	(6,020)
Compliance Planned Maintenance	272,800	(203,880)	68,920	1,725,000	(1,000,000)	793,920	31,202	762,718	793,920	-
Kitchens & Bathrooms (Inc void allocation)	1,990,160	-	1,990,160	4,786,000	-	6,776,160	182,182	6,593,978	6,776,160	-
Electrical	226,430	-	226,430	300,000	1,381,790	1,908,220	86,445	1,821,775	1,908,220	-
Net Zero Carbon Works	1,500,000	-	1,500,000	1,100,000	-	2,600,000	-	2,600,000	1,396,000	(1,204,000)
Environmental	266,980	(146,980)	120,000	1,118,530	-	1,238,530	50,318	1,188,212	1,238,530	-
Structural works	1,449,170	(58,430)	1,390,740	850,000	(644,520)	1,596,220	5,854	1,590,366	1,596,100	(120)
Disabled Adaptations	(20,750)	20,750	-	650,000	400,000	1,050,000	76,975	973,025	1,050,000	-
Asbestos Removal	166,630	(166,630)	-	280,800	-	280,800	6,706	274,094	280,800	-
Estate Improvements	45,870	-	45,870	50,000	-	95,870	-	95,870	95,870	-
<b>Sub-Totals</b>	<b>7,515,630</b>	<b>(667,260)</b>	<b>6,848,370</b>	<b>18,970,440</b>	<b>(2,000,000)</b>	<b>23,818,810</b>	<b>554,327</b>	<b>23,264,483</b>	<b>22,608,670</b>	<b>(1,210,140)</b>
<b>Regeneration Projects:</b>										
Limes Avenue and Copperfield	1,980,510	-	1,980,510	2,000,000	2,000,000	5,980,510	288,887	5,691,623	5,980,510	-
Broadway	2,728,070	-	2,728,070	-	-	2,728,070	-	2,728,070	100,000	(2,628,070)
<b>Sub-Totals</b>	<b>4,708,580</b>	<b>-</b>	<b>4,708,580</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>8,708,580</b>	<b>288,887</b>	<b>8,419,693</b>	<b>6,080,510</b>	<b>(2,628,070)</b>
<b>Other Housing Schemes:</b>										
Service Enhancements (General)	-	-	-	204,020	-	204,020	-	204,020	204,020	-
Housing Asset Management Project	188,780	-	188,780	540,000	-	728,780	85,247	643,533	431,610	(297,170)
Service Enhancements (HFFHH)	(31,620)	31,620	-	154,000	-	154,000	-	154,000	154,000	-
Door Replacement Programme (Leasehold)	311,670	(311,670)	-	233,540	-	233,540	-	233,540	233,540	-
Sheltered Block Refurbishments	330,000	-	330,000	100,000	-	430,000	-	430,000	430,000	-
Emergency Alarm Upgrades	360,000	-	360,000	-	-	360,000	-	360,000	360,000	-
Sheltered Housing Works	-	-	-	468,000	-	468,000	-	468,000	468,000	-
<b>Sub-Totals</b>	<b>1,158,830</b>	<b>(280,050)</b>	<b>878,780</b>	<b>1,699,560</b>	<b>-</b>	<b>2,578,340</b>	<b>85,247</b>	<b>2,493,093</b>	<b>2,281,170</b>	<b>(297,170)</b>
<b>Vehicle Replacements</b>	<b>(36,270)</b>	<b>36,270</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditure</b>	<b>36,623,220</b>	<b>(911,040)</b>	<b>35,712,180</b>	<b>35,019,000</b>	<b>-</b>	<b>70,731,180</b>	<b>1,116,019</b>	<b>69,615,161</b>	<b>52,201,490</b>	<b>(18,529,690)</b>
<b>Capital Financing Analysis:</b>										
Direct Revenue Contributions	-	-	-	1,282,000	82,000	1,364,000	-	1,364,000	1,364,000	-
Major Repairs Reserve	-	-	-	9,137,000	-	9,137,000	1,116,019	8,020,981	17,486,000	8,349,000
RTB Receipts	-	-	-	1,599,000	-	1,599,000	-	1,599,000	1,976,970	377,970
Grants	-	-	-	80,000	-	80,000	-	80,000	1,918,300	1,838,300
Other Contributions	-	-	-	1,187,000	-	1,187,000	-	1,187,000	1,187,000	-
Borrowing	36,623,220	(911,040)	35,712,180	21,734,000	(82,000)	57,364,180	-	57,364,180	28,269,220	(29,094,960)
<b>Total Financing</b>	<b>36,623,220</b>	<b>(911,040)</b>	<b>35,712,180</b>	<b>35,019,000</b>	<b>-</b>	<b>70,731,180</b>	<b>1,116,019</b>	<b>69,615,161</b>	<b>52,201,490</b>	<b>(18,529,690)</b>

# Agenda Item 12

## **Report to Overview and Scrutiny Committee**

**Date of meeting: 24th October 2023**



**Subject: Updated Medium-Term Financial Plan 2024/25 to 2028/29**

**Portfolio: Finance & Economic Development - Cllr. John Philip**

**Officer contact for further information: Chris Hartgrove 01992 564000 (Ext. 2532)**

**Democratic Services Officer: Laura Kirman 01992 564243**

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### **Recommendations/Decisions Required:**

- 1. To consider the Updated Medium-Term Financial Plan 2024/25 to 2028/29 as presented to Cabinet on 9th October 2023 (*Attachment 1*), and to make such comments and/or recommendations as the Committee feels appropriate so that Cabinet can consider these on 4th December 2023, when they meet to consider draft budget options for 2024/25.**

### **Executive Summary:**

Cabinet received the Updated Medium-Term Financial Plan for 2024/25 to 2028/29 on 9th October 2023. At that meeting the contents of the report were considered and discussed, including the implications for both the General Fund and Housing Revenue Account.

Cabinet also agreed that the report should go forward for scrutiny by the Overview & Scrutiny Committee in accordance with the Financial Planning Framework (2024/25 to 2028/29) adopted on 18th September 2023.

This is the first iteration of the MTFP within the 2024/25 budget cycle. It is a forward-looking document which provides a tentative look at the Council's financial picture over the next five years (2024/25 through to 2028/29) and sets the scene by providing a framework for developing both the General Fund and Housing Revenue Account (HRA) budgets for 2024/25.

The General Fund forecast within the MTFP reveals a projected deficit of £3.720 million for 2024/25. This reflects major spending pressures due to – a large extent – increasing Financing costs driven by capital commitments and higher interest rates, which is exacerbated by an anticipated rise in Waste Management costs, upon the expiry of the current Biffa contract in November 2024.

Estimated net expenditure in 2024/25 is £21.364 million, compared to available funding of £17.644 million. The Council is required to eliminate this deficit and set a balanced budget for 2024/25 in February 2024.

Looking further ahead – assuming a balanced budget is achieved for 2024/25, without recourse to the use of reserves – a budget gap is expected to open-up again on the General Fund from 2025/26, with annual budget pressures typically in the region of £0.5 million anticipated annually through to 2028/29.

The HRA forecast reveals a small surplus in 2024/25, followed by two planned deficits in 2025/26 (£732,000) and 2026/27 (£532,000), before coming back into balance for 2027/28 and 2028/29. It should be noted that the HRA balance can comfortably withstand the planned deficits (e.g., as reported to Cabinet on 18th September 2023, the projected balance on the HRA for March 2024 was £4.438 million, which is more than double the adopted minimum of £2.0 million).

The next stage in the process (currently in progress) will see the assumptions and projections further refined and draft budget options for 2024/25 for closing the budget deficit, for consideration by Cabinet on 4th December 2023, alongside feedback from this Committee.

#### **Reason for Decision:**

This report facilitates the scrutiny of the Council's financial position for 2024/25 to 2028/29 as it prepares draft budget options for 2024/25.

The Council faces a significant challenge in achieving a balanced budget for 2024/25 due to a projected General Fund budget gap of £3.720 million.

The comments made at this Committee, where relevant, will be reported to Cabinet for their consideration at their meeting on 4th December 2023.

#### **Legal and Governance Implications:**

The Council has a legal duty under the Local Government Finance Act 1992 to set a balanced budget. This report highlights a potential budget deficit on the General Fund that needs to be eliminated prior to setting the 2024/25 budget in February 2024.

#### **Safer, Cleaner, Greener Implications:**

There are no SGS implications.

#### **Consultation Undertaken:**

The development of the 2024/25 budget is informed by the democratic scrutiny processes.

#### **Background Papers:**

None.

#### **Risk Management**

The consideration of risk forms an integral part of the development of budget options. In particular, the MTFP is based on a series of estimates and assumptions that are informed by varying forms of intelligence (some certain, some uncertain); that process, including any residual risk in the decision-making process will be clearly indicated.

## ATTACHMENT 1

### ***Report to the Cabinet***

***Report reference:***                    ***C-022-2023/24***

***Date of meeting:***                    ***9th October 2023***



**Epping Forest  
District Council**

**Portfolio:**                    **Finance & Economic Development**

**Subject:**                    **Updated Medium-Term Financial Plan 2024/25 to 2028/29**

**Responsible Officer:**                    **Andrew Small                    (01992 564278)**

**Democratic Services:**                    **Vivienne Messenger (01992 564243)**

#### **Recommendations/Decisions Required:**

**1) To note the contents of the report, including:**

- **The General Fund element of the updated Medium-Term Financial Plan (2024/25 to 2028/29) (Appendix A); and**
- **The Housing Revenue Account element of the updated Medium-Term Financial Plan (2024/25 to 2028/29) (Appendix B).**

**2) Discuss and agree any actions required, including the assumptions contained in the MTFP and the potential options for addressing the underlying budget deficit in order to set a balanced budget for 2024/25.**

#### **Executive Summary:**

The Cabinet approved an updated Financial Planning Framework (2024/25 to 2028/29) at its meeting on 18th September 2023 and committed to receiving and considering and updated Medium-Term Financial Plan (MTFP) for 2024/25 to 2028/29.

The preparation of an MTFP provides the cornerstone on which the Council can build and deliver services in accordance with its aims and objectives. It also provides an early warning sign of potential budget pressures that lie ahead.

This is the first iteration of the MTFP within the 2024/25 budget cycle. It is a forward-looking document which provides a tentative look at the Council's financial picture over the next five years (2024/25 through to 2028/29) and sets the scene by providing a framework for developing both the General Fund and Housing Revenue Account (HRA) budgets for 2024/25.

The General Fund element of the MTFP can be found at **Appendix A**. It reveals a projected deficit of £3.720 million in 2024/25. This reflects major spending pressures due to – a large extent – increasing Financing costs driven by capital commitments and higher interest rates, which is exacerbated by an anticipated rise in Waste Management costs, upon the expiry of the current Biffa contract in November 2024.



Estimated net expenditure in 2024/25 is £21.364 million, compared to available funding of £17.644 million. The Council is required to eliminate this deficit and set a balanced budget for 2024/25 in February 2024.

The projections are summarised in the table below.

<b>General Fund MTFP (@ October 2023)</b>		
<b>Financial Year</b>	<b>(Surplus)/Deficit</b>	<b>Comment</b>
	<b>£000's</b>	
2024/25	3,720	Increased Financing costs driven by Capital Commitments and higher Interest Rates. New Waste Management arrangements from November 2024.
2025/26	376	
2026/27	484	
2027/28	553	
2028/29	557	

The HRA element of the MTFP can be found at **Appendix B**. It reveals a small Surplus in 2024/25, followed by two planned deficits in 2025/26 (£732,000) and 2026/27 (£532,000), before coming back into balance for 2027/28 and 2028/29. It should be noted that the HRA balance can comfortably withstand the planned deficits (e.g., as reported to Cabinet on 18th September 2023, the projected balance on the HRA for March 2024 was £4.438 million, which is more than double the adopted minimum of £2.0 million).

The table below provides a summary.

<b>Housing Revenue Account MTFP (@ October 2023)</b>		
<b>Financial Year</b>	<b>(Surplus)/Deficit</b>	<b>Comment</b>
	<b>£000's</b>	
2024/25	(15)	
2025/26	732	53 Week Rent Year Assumed £900,000 saving from Qualis re Housing Repairs.
2026/27	532	
2027/28	2	
2028/29	2	

The next stage in the process will see the assumptions and projections in both the General Fund and Housing Revenue Account further refined in accordance with the direction provided by Cabinet and emerging intelligence. Officers will begin to develop draft budget options for 2024/25, for consideration by Cabinet. This will include options for closing the General Fund budget gap.

**Reasons for Proposed Decision:**

To provide an updated financial position for the Council based on latest available information, allowing Cabinet to consider the implications and potential options available, and provide strategic direction to senior officers in preparing a (balanced) draft budget for 2024/25.

**Legal and Governance Implications:**

The Council has a legal duty under the Local Government Finance Act 1992 to set a balanced budget. This report highlights a potential budget deficit on the General Fund that needs to be eliminated prior to setting the 2024/25 budget in February 2024.

**Safer, Cleaner and Greener Implications:**

There are no direct SCG implications contained within the report, although the implications will be considered in the detailed development of budget proposals.

**Consultation Undertaken:**

None. The proposals in the report require further development. Consultation at a later stage is an in-built feature of the proposed Financial Planning approach and timetable.

**Background Papers:**

None.

**Risk Management:**

The consideration of risk will form an integral part of the development of the proposals in the report. In particular, the MTFP is based on a series of estimates and assumptions that are informed by varying forms of intelligence (some certain, some uncertain); that process, including any residual risk in the decision-making process will be clearly indicated.

**Updated Medium-Term Financial Plan 2024/25 to 2028/29**

**GENERAL FUND**

**October 2023**

**1. Background**

1.1 The preparation of a Medium-Term Financial Plan (MTFP) provides the cornerstone on which the Council can build and deliver services in accordance with the aims and objectives outlined in the Corporate Plan 2023-2027 (“Your Epping Forest”), which are grouped under the three corporate ambitions:

- Stronger Communities
- Stronger Place; and
- Stronger Council.

1.2 Through ‘horizon scanning’ and anticipating necessary change at the earliest opportunity, resilience, and the ability to react to and withstand ‘major shocks’, is achieved.

**2. Introduction**

2.1 This is the first iteration of the MTFP in the 2024/25 budget cycle. It is a forward-looking document which provides a tentative look at the Council’s General Fund financial picture over the next five years (2024/25 to 2028/29) and re-evaluates the position in the light of developments since the last MTFP (2023/24 to 2027/28) was adopted by the Council in February 2023.

2.2 This part of the MTFP focuses on the Council’s General Fund. The HRA Business Plan is being further refined and this underpins an updated MTFP for the HRA, which is presented in Appendix B.

2.3 The February 2023 MTFP revealed a projected deficit of £2.389 million in 2024/25; this assumed a contribution of £263,000 to the Council’s general contingency reserves. The full projections can be summarised as follows:

Financial Year	(Surplus)/Deficit	Comment
	£000’s	
2023/24	0	Assumed contribution of £263,000 to Reserves
2024/25	2,389	New Waste Management contract assumed with effect from November 2024.
2025/26	762	
2026/27	677	
2027/28	454	

- 2.4 The MTFP is deliberately concise, focussing on the most significant financial issues faced by Epping Forest District Council over the medium-term. As reported in the Financial Planning Framework 2024/25 to 2028/29 (Cabinet 18th September 2023) there are a range of major factors that are causing concern at the moment. This includes notable spending pressures on Staff Salaries, Contracts and Financing. In contrast, inflationary pressure is gradually receding, and the Government appears committed to providing a Settlement for 2024/25, which reflects – as a minimum – a marginal increase on that provided for 2023/24.
- 2.5 Members should also note the following potentially significant items that have *not* been included within the projections in this iteration of the MTFP:
- *North Weald Airfield Asset Disposal* – the Council has agreed to dispose of a section of North Weald Airfield, released under the Local Plan adoption process as employment land. Negotiations with a potential purchaser are ongoing at the time of reporting. If this matter concludes before the 2024/25 Budget is set, the resulting capital receipt could be used to generate investment income in the short-term. This has not been factored in to the MTFP assumptions as conclusion and receipt are not certain; and
  - *Planning Applications Income* – as reported to Cabinet on 18th September 2023, the income stream that the Council receives from processing Planning Applications has – so far – not met expectations in 2023/24 following the recent adoption of the Local Plan. It is unclear at this stage what the outcome for 2023/24 and beyond is likely to be, although there is some optimism that income could increase as the year progresses and Draft Regulations have been laid before Parliament that will see an increase in fees for Major Applications of 35% with effect from 1st April 2024. Given the current uncertainty, the expectations for income from Planning Applications assumed in the February 2023 updated MTFP remain unchanged.

### 3. Financial Projections

#### 3.1 Current Spending Levels

3.1.1 The starting point for developing the MTFP is the current level of spending. The 2023/24 General Fund base budget was approved by the Council on 28th February 2023 and can be summarised as follows:

Description	2023/24 Budget
	£000's
Employees	22,550
Premises	3,649
Transport	171
Supplies & Services	9,034
Support Services	3
Contracted Services	9,513
Transfer Payments (Housing Benefits)	22,210
Financing Costs	3,589
Waste Contingency	400
Qualis Contingency	713
<b>Gross Expenditure</b>	<b>71,832</b>
Fees & Charges	(17,644)
Government Contributions (including Housing Benefit Subsidy)	(24,022)
Miscellaneous Income (including Qualis)	(3,500)
Other Contributions	(4,041)
HRA Recharges	(4,984)
<b>Net Expenditure</b>	<b>17,641</b>

### 3.1.2 Net expenditure is funded as follows:

Description	2023/24 Budget
	£000's
Council Tax	(8,899)
Business Rates	(5,766)
Collection Fund Adjustments	(645)
Council Tax Sharing Agreement (CTSA)	(615)
Revenue Support Grant	(129)
New Homes Bonus	(78)
2023/24 Services Grant	(129)
Other Grants	(929)
Contributions to/ (use of) Reserves	(451)*
<b>Total Funding</b>	<b>(17,641)</b>

\*Net of £262,620 contribution to Contingency Balance

### 3.2 Increased/(Reduced) Budget Demand

3.2.1 Based on an initial high-level review of the current base budget, and anticipated budget demand in 2024/25 and beyond, several areas of changed budgetary demand have been identified and are summarised by subjective heading in the table below.

Medium-Term Increased/(Reduced) Budget Demand (@ October 2023)					
Description	2024/25	2025/26	2026/27	2027/28	2028/29
	£'s	£'s	£'s	£'s	£'s
Employees	(67,540)	(13,000)	(20,000)	(20,000)	(20,000)
Premises	(31,750)	0	0	0	0
Transport	70,000	0	0	0	0
Supplies & Services	268,253	0	0	0	0
Support Services	(2,050)	0	0	0	0
Contracted Services	204,565	255,758	0	0	0
Transfer Payments	250,000	0	(1,110,510)	(1,054,985)	(1,002,235)
Waste Contingency	(238,000)	(162,000)	0	0	0
Fees & Charges	70,930	(84,335)	(20,447)	(20,856)	(21,273)
Government Contributions	12,269	11,655	1,121,583	1,065,503	1,012,228
Miscellaneous Income	(367,500)	(157,500)	0	0	0
HRA Recharges	311,050	0	0	0	0
<b>Net Increased/(Reduced) Budget Demand</b>	<b>480,227</b>	<b>(149,421)</b>	<b>(29,374)</b>	<b>(30,337)</b>	<b>(31,280)</b>

3.2.2 The table above reveals a Net Increase in Budget Demand of £480,227 for 2024/25. The most notable *increases* include the following:

- Supplies and Services (£268,253) – the largest cost pressures on Supplies and Services are IT related, most notably on software support and license costs including “Gamma/Omnichannel” Support/Licenses (£146,260) and a range of *Other* (software support and license related) items (£143,050)
- Contracted Services (£204,565) – an increase in costs is expected when the new Waste Management arrangements are introduced in November 2024, following the expiry of the current Biffa contract (£563,333 in 2024/25, followed by a further £1,007,500 in 2025/26), although offsetting savings are also anticipated from the purchase of the Waste Vehicle Fleet (£536,958 in 2024/25, followed by a further saving of £751,742 in 2025/26). It should be noted that the potential cost of the new Waste Management arrangements is under review at the time of preparing this report; updated estimates will be included in the draft budget presented to Cabinet in December 2023
- Transfer Payments (£250,000) – as previously reported to Cabinet (in May and September 2023), there is a budget pressure on Housing Benefits in respect of Housing Benefit Overpayments (HBOs); the resulting budget shortfall is estimated at £250,000; and
- HRA Recharges (£311,050) – the annual Net Recharge from the General Fund to the HRA includes an interest payment *from* the General Fund in respect of interest received on the HRA balance; the rise in interest rates has led to a net decrease in the overall Recharge.

3.2.3 The most notable *reductions* include the following:

- Waste Contingency (£238,000) – a Contingency of £400,000 was included in the 2023/24 budget to reflect the one-off costs associated with developing the new Waste Management arrangements. It is currently estimated that £238,000 of that contingency will be utilised in 2023/24, therefore this item represents a reversal of the previous provision (the remaining £162,000 is anticipated to be spent in 2024/25); and
- Miscellaneous Income (£367,500) – a substantial increase in rental income is anticipated from North Weald Airfield Market following the agreement of a new lease, effective from 1st January 2024 (a net increase of £367,500 is assumed for 2024/25, followed by a further £157,500 in 2025/26).

### 3.3 Inflation

3.3.1 Inflationary pressures have been reviewed based on latest available intelligence and are presented in the table below.

Medium-Term Inflation Assumptions (@ October 2023)					
Description	2024/25	2025/26	2026/27	2027/28	2028/29
	£'s	£'s	£'s	£'s	£'s
Employees	899,287	467,141	476,224	485,348	494,655
Premises	32,209	74,814	80,310	81,917	83,555
Transport	8,420	4,980	5,079	5,181	5,284
Supplies & Services	326,645	189,947	193,746	197,621	201,573
Support Services	24	14	14	15	15
Contracted Services	324,525	102,676	103,703	104,740	105,787
Financing Costs	1,810,225	-524,797	-464,572	-126,066	-127,913
Fees & Charges	-503,746	-217,927	-220,788	-223,688	-226,627
HRA Recharges	-177,220	-97,010	-98,950	-100,930	-102,950
<b>Net Increased/(Reduced) Budget Demand</b>	<b>2,720,368</b>	<b>-163</b>	<b>74,766</b>	<b>424,137</b>	<b>433,380</b>

3.3.2 Stubborn inflation in the economy has led to the Bank of England (BoE) systematically increasing interest rates month-on-month up until August 2023. However, the BoE resisted increasing rates beyond the current 5.25% base rate in September 2023, following lower than expected inflation figures for August 2023. The CPI rate fell to 6.7% in August 2023, following a steady decline since peaking at 11.1% in October 2022. The BoE are forecasting CPI to fall to circa 5.0% by the end of this (calendar) year, with most economists forecasting a further decline to around 2.0% by the end of 2024/early 2025. It is against this backdrop therefore that the inflationary assumptions in this iteration of the MTFP have been developed.

3.3.3 A planning assumption of 3.5% in general inflation has been applied for 2024/25, falling to 2.0% in 2025/26, and settling at that level thereafter (the BoE's long-term inflation target is 2.0%). This has been applied to Supplies & Services and a range of other non-staff budgets. Exceptions to note include:

- **Employee Costs** – a 3.0% pay increase has been assumed for 2024/25, which follows on from (at the time of preparing this report) an anticipated pay settlement of approximately 5.0% for 2023/24. However, the current base budget for 2023/24 was prepared based on an assumed pay award of just 4.0% (a 1.0% shortfall). As a consequence, the base budget increase of £0.899 million for 2024/25 highlighted in the table above in Paragraph 3.3.1, represents an uplift of 4.0% (3.0% + 1.0%). A pay award of 2.0% has been assumed for 2025/26 onwards.



- Premises Costs – a tailored approach has been applied to Premises costs, although Energy cost estimates will be subject to further refinement before the draft Budget is presented to Cabinet in December 2023. All other costs are assumed to follow the general rate of inflation; and
- Contracted Services – the Waste Contract is subject to an annual uplift based on October CPI (payable from November each year). An increase of 6.7% (August 2023 CPI) has been assumed at this stage for 2024/25 (this will be the last year of the Biffa contract). There is some optimism that this assumption can be reduced prior to presenting the draft budget to Cabinet in December 2023 (in the light of updated CPI figures).

3.3.4 Given the current financial challenge that the Council faces, it has been assumed that (non-statutory) Fees and Charges will rise by an inflationary *average* of 6.7%, reflecting the August 2023 CPI (significant variations around the average can be expected). Car parking charges are non-statutory and potentially in scope. The level of Fees and Charges generally is something that Members will need to consider carefully, with the balance between generating additional revenue and maintaining service demand being a key consideration alongside the potential impact on local residents of rising prices.

### **3.4 Budget Growth**

3.4.1 No discretionary Budget Growth items have been assumed in these projections. Given the Council's current financial position, it is assumed that any potential growth items – which are in line with Council priorities – will be prioritised and funded from budget reallocations/savings. The potential re-prioritisation of financial resources is matter for Members to consider.

### **3.5 Revenue Consequences of the Capital Programme**

3.5.1 The assumptions on Qualis loans are those reflected in the Quarter 1 Budget Monitoring Report 2023/24 presented to Cabinet on 18th September 2023. More refined estimates will be included in the initial draft Budget presented to Cabinet in December 2023. It should be noted by Members at this stage that, given the greatly reduced margins achieved by the Council on loan advances to Qualis (in the light of increased interest rates), this MTFP is less dependent on future advances to Qualis, thus lowering risk.

3.5.2 However, there has been a substantial increase in current and (anticipated) future net (capital) Financing costs, with the Summary Table below in Section 3.8 showing an increase from £3.590 million to £6.593 million. A substantial increase (of £2.042 million) was reported to full Council in February 2023, but the pressure has since increased as the rise in interest rates especially has exceeded the forecasts contained in the 2023/24 Budget (variance reported to Cabinet on 18th September 2023). The requirement to make/set aside "Minimum Revenue Provision" (MRP) payments is also expected to require a budget increase of £1.193 million (up from £1.261 million in 2023/24 to £2.454 million in 2024/25), which is driven by the planned purchase of the Waste Vehicle Fleet in (£0.959 million) and IT Equipment expenditure (£0.278 million) in 2023/24.

- 3.5.3 Members should note the impact on the Council's expenditure profile of purchasing an in-house Waste Vehicle Fleet. Waste Vehicle costs are currently absorbed within the contract price paid to Biffa, so the moving to new Waste Management arrangements – entailing the purchase of an in-house Fleet – delivers a substantial saving. This is reflected in Contracted Services expenditure in the Summary Table in Section 3.8 below; initial estimates are suggesting savings of £536,960 in 2024/25, followed by further savings of £751,740 in 2025/26 (resulting overall annual savings in the base budget of £1.289 million). This is a major factor in the apparent rise in Financing costs.
- 3.5.4 The Council's overall commitment to the new Epping Leisure is £33.1 million, which is clearly a substantial sum. However, it is a multi-year project with capital expenditure spread over 2021/22, 2022/23, 2023/24, 2024/25 and 2025/26. Most commentators are suggesting that interest rates have now peaked and are expected to gradually recede in the medium-term (which is reflected in the MTFP projections). MRP payments are spread over the estimated (45 year) life of the asset, with an initial payment of £323,000 anticipated in 2026/27.
- 3.5.5 The factors described above in Paragraphs 3.5.2 to 3.5.4 combined, interact to provide a very stable forecast on Financing costs from 2024/25 onwards, with the Summary Table below in Section 3.8 showing a slight decline (of £104,000) in 2026/27 and settling at around £6.5 million thereafter through to 2028/29.
- 3.5.6 All capital assumptions will be reviewed in detail, and revised as necessary, in preparing the draft budget and updated MTFP.

### **3.6 Savings**

- 3.6.1 There are currently no Savings assumed within the projections. The views of Members are sought on the prioritisation of potential cashable savings in the context of the Budget Deficit and Council priorities, whether from spending reductions or increased income.

### 3.7 Funding

3.7.1 The Council's core funding streams have been reviewed based on the latest available intelligence. The relevant budget movements are summarised in the table below.

<b>Medium-Term Funding Assumptions (@ October 2023)</b>					
<b>Description</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>
	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>
Council Tax	(9,235,230)	(9,350,670)	(9,444,177)	(9,538,619)	(9,634,005)
Business Rates	(6,595,000)	(6,792,850)	(6,928,707)	(7,067,281)	(7,208,627)
Collection Fund Adjustments	(225,000)	0	0	0	0
Council Tax Sharing Agreement	(338,480)	(438,480)	(488,480)	(488,480)	(488,480)
Revenue Support Grant (RSG)	(132,654)	(132,654)	(132,654)	(132,654)	(132,654)
New Homes Bonus	(80,525)	0	0	0	0
Other/Funding Guarantee	(1,300,000)	(1,300,000)	(1,300,000)	(1,300,000)	(1,300,000)
Reserve Contributions	262,620	262,620	262,620	262,620	262,620
<b>Net Increased/(Reduced) Budget Demand</b>	<b>(17,644,269)</b>	<b>(17,752,034)</b>	<b>(18,031,398)</b>	<b>(18,264,414)</b>	<b>(18,501,146)</b>

3.7.2 The key budget assumptions captured in the table above are as follows:

- **Council Tax** – there is a provisional assumption that the Council will increase the Council Tax by 3.0% (in line with the 2023/24 Referendum Limit) in 2024/25; Council Tax freezes are assumed from 2025/26 onwards. If a 3.0% increase is applied, the Band D charge for 2024/25 would rise from £162.15 to £167.01. Members of course have the option to vary this assumption.
- **Business Rates** – as reported to Cabinet on 18th September 2023, revenue from the Business Rates Retention (BRR) scheme has been performing strongly in 2023/24 following the April 2023 Revaluation (whereby the Business Rates base in Epping Forest increased in value by 14.0%, which is double the national average of 6.9%). On that basis, it is currently assumed that the funding expectation in the budget from this source will rise by £0.829 million; from £5.766 million to £6.595 million in 2024/25, with normal inflationary rises assumed thereafter. This is a highly complex area though, and Finance officers will be working with technical advisors in the coming weeks to further refine this initial estimate.

- Collection Fund Adjustments – the Collection Fund adjustment is difficult to estimate at this stage, although the planned distribution of surpluses from the Collection Fund in 2023/24 (determined in January 2023) have been compared to the Collection Fund year-end outturn, to provide some initial indication of the potential size of the adjustment. This results in an assumed net *positive* adjustment of £0.225 million for 2024/25; as at 31st March 2023, Council Tax had a *deficit* in the Collection Fund, whilst Business Rates had a *surplus* (outweighing the Council Tax deficit). A neutral adjustment is assumed from 2025/26 onwards.
- Council Tax Sharing Agreement (CTSA) – the Council is again committed to the Essex CTSA for 2024/25. Current projections (as at Quarter 1 2023/24) are suggesting that it would be prudent to reduce the current (2023/24) assumption by £0.276 million from £0.615 million to £0.338 million for 2024/25, although some recovery is anticipated from 2025/26 onwards, eventually settling at £0.488 million from 2026/27 onwards.
- Government Grants – the Government published its response to the Select Committee’s report on funding for Levelling Up on 10th August 2023. Within that response, the Government expressed a commitment to introducing a one-off funding guarantee to ensure that every council sees a minimum increase in Core Spending Power of 3.0% before any local decisions on Council Tax rates. This appears to be stronger intelligence than we would normally receive at this stage in the budget development process. Therefore, the Government grants receivable in 2024/25 assumed within this MTFP have been extrapolated on that basis. This results in an assumed Revenue Support Grant (RSG) of £0.133 million, New Homes Bonus (NHB) of £0.081 and a Funding Guarantee Allocation (FGA) of £1.300 million. It should be noted that, although the individual components of the Settlement may vary, the overall Settlement should still conform to the Government guarantee (of “Core Spending Power + 3.0%”). Future Settlements (from 2025/26 onwards) are assumed frozen at this stage, with the exception of NHB, which is assumed to cease with effect from 2025/26; and
- Contribution to (from) Reserves – in the light of the General Fund Reserve falling below its adopted minimum contingency balance of £4.0 million, in February 2023, the Council committed to – with effect from 2023/24 – annually contributing £262,620 to towards replenishing the General Fund Reserve. The Quarter 1 Budget Monitoring Report 2023/24, presented to Cabinet on 18th September 2023, projected a further significant overspend on the 2023/24 General Fund revenue budget, which – if this materialises – would further deplete the General Fund Reserve balance. The pressure to contribute to the General Fund Reserve is therefore rising. For now, however, this iteration of the MTFP, retains the Council’s current annual commitment of £262,620. This will need to be kept under review as the 2024/25 budget is further developed.

### 3.8 Summary Position

3.8.1 After taking account of the projections made in Sections 3.2 to 3.7 above, the projected medium-term revenue position for the General Fund (2024/25 to 2028/29), is summarised in the table below.

Description	Opening Budget (2023/24)	Estimated Budget Requirement 2024/25	Estimated Budget Requirement 2025/26	Estimated Budget Requirement 2026/27	Estimated Budget Requirement 2027/28	Estimated Budget Requirement 2028/29
	BASELINE	BUDGET STRATEGY				
	£'s	£'s	£'s	£'s	£'s	£'s
Employees	22,549,720	23,357,052	23,811,193	24,267,417	24,732,765	25,207,420
Premises	3,649,250	3,740,708	4,015,523	4,095,833	4,177,750	4,261,305
Transport	170,560	248,980	253,959	259,038	264,219	269,504
Supplies & Services	9,064,450	9,659,348	9,687,295	9,881,040	10,078,661	10,280,235
Support Services	2,730	704	718	732	747	762
Contracted Services	9,482,740	10,011,829	10,370,263	10,473,966	10,578,706	10,684,493
Transfer Payments (exclusively HB)	22,210,200	22,460,200	22,460,200	21,349,690	20,294,706	19,292,470
Financing Costs	3,589,630	6,592,855	6,489,058	6,493,486	6,498,420	6,512,507
Service Contingency (Waste)	400,000	162,000	-	-	-	-
<b>Gross Expenditure</b>	<b>71,119,279</b>	<b>76,233,677</b>	<b>77,088,209</b>	<b>76,821,203</b>	<b>76,625,973</b>	<b>76,508,695</b>
Fees & Charges	- 17,643,470	- 18,076,287	- 18,378,549	- 18,619,784	- 18,864,327	- 19,112,228
Government Contributions (90%+ HB Subsidy)	- 24,022,220	- 24,009,951	- 23,998,296	- 22,876,713	- 21,811,210	- 20,798,981
Miscellaneous Income (including Qualis)	- 3,499,680	- 3,890,810	- 4,036,455	- 3,787,315	- 3,526,120	- 3,276,120
Other Contributions	- 4,041,320	- 4,041,320	- 4,041,320	- 4,041,320	- 4,041,320	- 4,041,320
HRA Recharges	- 4,984,450	- 4,850,620	- 4,947,630	- 5,046,580	- 5,147,510	- 5,250,460
<b>Net Expenditure</b>	<b>16,928,139</b>	<b>21,364,689</b>	<b>21,685,959</b>	<b>22,449,491</b>	<b>23,235,486</b>	<b>24,029,586</b>
<b>Funding:</b>						
Council Tax	- 8,899,380	- 9,235,230	- 9,350,670	- 9,444,177	- 9,538,619	- 9,634,005
Business Rates	- 5,766,000	- 6,595,000	- 6,792,850	- 6,928,707	- 7,067,281	- 7,208,627
Collection Fund Adjustments	- 645,030	- 225,000	-	-	-	-
Council Tax Sharing Agreement (CTSA)	- 614,960	- 338,480	- 438,480	- 488,480	- 488,480	- 488,480
Non-Specific Grants:						
Revenue Support Grant (RSG)	- 128,790	- 132,654	- 132,654	- 132,654	- 132,654	- 132,654
New Homes Bonus	- 78,180	- 80,525	- 0	- 0	- 0	- 0
2023-24 Services Grant	- 129,370	-	-	-	-	-
Lower Tier Services Grant	-	-	-	-	-	-
Other/FGA	- 929,050	- 1,300,000	- 1,300,000	- 1,300,000	- 1,300,000	- 1,300,000
Credit Loss Adjustment	-	-	-	-	-	-
Contribution to/(from) Reserves	262,620	262,620	262,620	262,620	262,620	262,620
<b>Total Funding</b>	<b>- 16,928,140</b>	<b>- 17,644,269</b>	<b>- 17,752,034</b>	<b>- 18,031,398</b>	<b>- 18,264,414</b>	<b>- 18,501,146</b>
<b>In-Year (Surplus)/Deficit</b>	<b>-</b>	<b>3,720,421</b>	<b>375,505</b>	<b>484,168</b>	<b>552,979</b>	<b>557,368</b>
<b>Cumulative (Surplus)/Deficit</b>	<b>-</b>	<b>3,720,421</b>	<b>4,095,925</b>	<b>4,418,093</b>	<b>4,971,072</b>	<b>5,528,442</b>

- 3.8.2 The table above shows a deficit of £3.720 million for 2024/25. This reflects major spending pressures due to – a large extent – increasing Financing costs as explained in Section 3.5 above. The anticipated rise in Waste Management costs, upon the expiry of the current Biffa contract in November 2024, is undoubtedly a major factor. Estimated net expenditure in 2024/25 is £21.364 million, compared to available funding of £17.644 million. The Council is required to eliminate this deficit and set a balanced budget for 2024/25 in February 2024.
- 3.8.3 Further budget gaps are expected beyond 2024/25, with deficits projected in 2025/26 (£0.376 million), 2026/27 (£0.484 million), 2027/28 (£0.553 million) and 2028/29 (£0.557 million). However, it appears – at this stage – that 2024/25 presents the biggest challenge with both inflation (especially) and interest rates expected to decline as the MTFP progresses. The projected cumulative budget deficit by 31st March 2029 is £5.528 million.
- 3.8.4 It should be re-emphasised that these figures represent the first iteration of the MTFP in the 2024/25 budget cycle. Finance officers will now work on further refining these estimates in preparing the initial draft Budget proposals. The numbers presented can be expected to both increase and decrease in the coming months, and other factors could also potentially emerge that are not currently reflected in the figures and will have to be factored in.

**Updated Medium-Term Financial Plan 2024/25 to 2028/29**

**HOUSING REVENUE ACCOUNT**

**October 2023**

**1. Background**

1.1 The preparation of a Medium-Term Financial Plan (MTFP) provides the cornerstone on which the Council can build and deliver services in accordance with the aims and objectives outlined in the Corporate Plan 2023-2027 (“Your Epping Forest”), which are grouped under the three corporate ambitions:

- Stronger Communities
- Stronger Place; and
- Stronger Council.

1.2 The Housing Revenue Account (HRA) embraces both the Communities and Place ambitions to an extent, although the Council has a clear vision as to where the HRA fits as an integral part of a Stronger Place.

1.3 Through ‘horizon scanning’ and anticipating necessary change at the earliest opportunity, resilience, and the ability to react to and withstand ‘major shocks’ is achieved. Above all, a robust MTFP for the HRA is also critical to achieving compliance with the Council’s legal duty under the Local Government Housing Act 1989 to “maintain a balanced account” and ultimately long-term financial sustainability.

**2. Introduction**

2.1 This is the first iteration of the MTFP for the HRA in the 2024/25 budget cycle. It is a forward-looking document which provides a tentative look at the HRA picture over the next five years (2024/25 to 2028/29) and re-evaluates the position in the light of developments since the 2023/24 Budget was adopted by the Council in February 2023.

2.2 The February 2023 (HRA) MTFP revealed a stable position, with a breakeven position projected over the 5-year period 2023/24 through to 2027/28. The projections can be summarised as follows:

Financial Year	(Surplus)/Deficit	Comment
	£000's	
2023/24	(364)	Planned surplus.
2024/25	25	
2025/26	295	Assumed £900,000 saving from Qualis re Housing Repairs.
2026/27	4	
2027/28	70	

2.3 The MTFP is deliberately concise, focussing on the most significant HRA-related financial issues faced by Epping Forest District Council over the medium-term.

### 3. Financial Projections

#### 3.1 Current Spending Levels

3.1.1 The starting point for developing the MTFP is the current level of spending. The 2023/24 HRA base budget was approved by the Council on 28th February 2023 and can be summarised as follows:

<b>HRA Revenue Budget 2023/24</b>	
<b>Description</b>	<b>£'s</b>
Employees	5,013,440
Premises	6,218,330
Transport	78,060
Supplies & Services	1,402,060
Contracted Services	7,197,660
Support Services (General Fund Recharges)	4,984,450
Debt Management Expenses	65,000
Bad Debt Provision	99,000
Depreciation	9,137,000
<b>Total Expenditure</b>	<b>34,195,000</b>
Rental Income – Dwellings	(37,419,000)
Rental Income – Non-Dwellings	(936,000)
Fees & Charges (Charges for Services)	(2,793,000)
Other Contributions (Shred Amenities)	(383,000)
<b>Total Income</b>	<b>(41,531,000)</b>
<b>Net Cost of Services</b>	<b>(7,336,000)</b>
Interest Receivable	(8,000)
Financing Costs	5,616,000
<b>Net Operating Income</b>	<b>(1,728,000)</b>
HRA Contribution to Capital	1,364,000
<b>In-Year (Surplus)/Deficit</b>	<b>(364,000)</b>

#### 3.2 Updated Projections

3.2.1 The February 2023 MTFP (HRA element) has now been reviewed and updated, incorporating the experience of the 2023/24 financial year to date (up to 30/09/23) and other emerging intelligence; the updated MTFP also rolls forward into 2024/25, spanning a further five years up to, and including, 2028/29. Specific factors considered include:

- Rent Increases
- Inflation
- Interest Rates
- Budget Growth
- HRA Recharges; and
- Other.



### **Rent Increases**

3.2.2 An increase in Rent of 7.0% has been assumed at this stage. This is expected to be close to the established Rent Standard (September CPI + 1.0%) with August 2023 CPI reported at 6.7% (the latest available information at the time of preparing this report). Although it does seem possible (indeed likely) that the September 2023 CPI rate could marginally exceed 6.0%, which would – technically – imply a higher rent increase than 7.0%, it is assumed that the Government would not allow an increase higher than 7.0% (which was the rent cap set for 2023/24, in the context of significantly higher inflation). The Rent Standard is assumed to be applied as normal from 2025/26 onwards (with a core inflation assumption of 2.0%, resulting in annual increases of 3.0%).

### **Inflation**

3.2.3 As with the General Fund, the inflationary pressures affecting the HRA are gradually receding, with the Bank of England's long-term inflation target of 2.0% expected to be met in late 2024/early 2025:

- **Pay** – estimated pay inflation of 3.0% has been assumed in 2024/25, reducing to 2.0% in 2025/26 and remaining at that level thereafter. However, it should be noted that an additional 1.0% increase in Employee costs is required in the 2024/25 budget to address the anticipated budget shortfall for 2023/24 (it is currently assumed that the pay award for 2023/24 will be settled at 5.0%, whereas the budget assumption for 2023/24 was 4.0%)
- **Premises** – a tailored approach has been applied to Premises costs (e.g., this includes an additional £53,000 for Asbestos Surveys, which are now required annually). All other costs are assumed to follow the general inflation rate for now. Energy cost estimates will be subject to further refinement before the draft Budget is presented to Cabinet in December 2023.
- **Housing Repairs** – as with Premises, a tailored approach has been adopted, with general Housing Repairs assumed to increase by 6.0% (£172,640) and Voids (£52,530) by 3.0%, reflecting the estimated budget requirement for 2024/25; and
- **General** – A generic assumption of 3.5% inflation has been assumed for Premises (excluding Energy costs), Transport and Supplies & Services. General inflation is then expected to reduce to 2.0% in 2025/26 onwards, which is reflected in the estimates.

### **Interest Rates**

3.2.4 The latest available Bank Rate projections supplied by our Treasury Management advisors have been used to estimate future Financing costs within the MTFP. A borrowing rate of 4.8% has been assumed for 2024/25, reducing to 3.4% in 2025/26, followed by 2.8% thereafter (2026/27 onwards).

### **Budget Growth**

3.2.5 As with the General Fund, the financial position dictates that only *unavoidable* Growth items are included at this stage. Notable unavoidable items include the Premises and Housing Repairs pressures described above in Paragraph 3.2.3, along with a net reduction in cost pressures for 2024/25 of £270,320 arising from miscellaneous items, including a £149,840 reduction in the "HAM" project consultancy budget.

### **HRA Recharges**

3.2.6 Staff-related costs are the most prevalent General Fund Recharge; an increase of 4.0% (the assumed 2024/25 pay award of 3.0%, plus 1.0% to address estimated shortfall in base budget due to assumed 2023/24 pay award of 5.0% as explained above in Paragraph 3.2.3). Increases for 2025/26 onwards mirror the Pay Inflation assumptions noted above (in Paragraph 3.2.3). There is also an additional stepped increase (a credit from the General Fund to the HRA) of £360,000 in respect of additional interest due on HRA balances following the recent rises in interest rates.

### **Other**

3.2.7 As previously reported, an assumed saving of £900,000 is in the base budget for Housing Repairs with effect from 2025/26 (one of the deliverables included in the Qualis initiative) and remains unchanged.

## **3.3 Updated MTFP Summary (October 2023)**

3.3.1 The updated HRA MTFP is summarised in the table below.

<b>Updated HRA Medium-Term Financial Plan (@ October 2023)</b>						
<b>Description</b>	<b>2023/24 BUDGET/ BASELINE</b>	<b>2024/25 BUDGET STRATEGY</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
Employees	5,013	5,208	5,312	5,419	5,527	5,638
Premises	6,218	6,691	6,823	7,033	7,714	7,314
Transport	78	81	82	84	86	87
Supplies & Services	1,402	1,183	1,199	1,019	1,039	1,264
Contracted Services	7,198	7,856	7,463	7,612	7,764	7,917
Support Services	4,985	4,851	4,948	5,047	5,148	5,250
Debt Management Expenses	65	68	69	70	72	73
Bad Debt Provision	99	108	109	113	116	120
Depreciation	9,137	10,700	10,914	11,132	11,355	11,582
<b>Total Expenditure</b>	<b>34,195</b>	<b>36,746</b>	<b>36,919</b>	<b>37,528</b>	<b>38,280</b>	<b>39,245</b>
Rental Income – Dwellings	(37,419)	(40,894)	(41,360)	(42,673)	(44,082)	(45,482)
Rental Income – Non-Dwellings	(936)	(992)	(1,012)	(1,032)	(1,053)	(1,074)
Fees & Charges (Charges for Services)	(2,793)	(3,032)	(3,104)	(3,176)	(3,313)	(3,367)
Other Contributions (Shared Amenities)	(383)	(394)	(402)	(410)	(418)	(427)
<b>Total Income</b>	<b>(41,531)</b>	<b>(45,267)</b>	<b>(45,878)</b>	<b>(47,291)</b>	<b>(48,866)</b>	<b>(50,350)</b>
<b>Net Cost of Services</b>	<b>(7,336)</b>	<b>(8,521)</b>	<b>(8,959)</b>	<b>(9,763)</b>	<b>(10,586)</b>	<b>(11,105)</b>
Interest Receivable	(8)	(226)	(335)	(180)	(178)	(175)
Financing Costs	5,616	6,476	7,655	8,277	8,606	9,541
<b>Net Operating Income</b>	<b>(1,728)</b>	<b>(2,271)</b>	<b>(1,639)</b>	<b>(1,666)</b>	<b>(2,158)</b>	<b>(1,739)</b>
HRA Contribution to Capital	1,364	2,256	2,371	2,198	2,160	1,741
<b>In-Year (Surplus)/Deficit</b>	<b>(364)</b>	<b>(15)</b>	<b>732</b>	<b>532</b>	<b>2</b>	<b>2</b>

3.3.2 The table above shows the HRA beginning with a small Surplus in 2024/25, followed by two planned deficits in 2025/26 (£732,000) and 2026/27 (£532,000), before coming back into balance for 2027/28 and 2028/29. It should be noted that the HRA balance can comfortably withstand the planned deficits (e.g., as reported to Cabinet on 18th September 2023, the projected balance on the HRA for March 2024 was £4.438 million, which is more than double the adopted minimum of £2.0 million).

# Agenda Item 13

## **Report to Overview and Scrutiny Committee**

**Date of meeting: 24th October 2023**



**Subject: Capital Programme Update 2024/25 to 2028/29**

**Portfolio: Finance & Economic Development - Cllr. John Philip**

**Officer contact for further information: Chris Hartgrove 01992 564000 (Ext. 2532)**

**Democratic Services Officer: Laura Kirman 01992 564243**

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### **Recommendations/Decisions Required:**

- 1. To consider the Capital Programme Update 2024/25 to 2028/29 as presented to Cabinet on 9th October 2023 (*Attachment 1*), and to make such comments and/or recommendations as the Committee feels appropriate so that Cabinet can consider these on 4th December 2023, when they meet to consider draft budget options for 2024/25.**

### **Executive Summary:**

Cabinet received an updated (indicative) Capital Programme for 2024/25 to 2028/29 on 9th October 2023. At that meeting the contents of the report were considered and discussed, including the implications for both the General Fund and Housing Revenue Account.

Cabinet also agreed that the report should go forward for scrutiny by the Overview & Scrutiny Committee in accordance with the Financial Planning Framework (2024/25 to 2028/29) adopted on 18th September 2023.

The updated Capital Programme – providing essential context and a key part of early budget preparations for 2024/25 – is in two parts and comprises total investment of £210.258 million (General Fund £53.913 million, Housing Revenue Account £156.345 million) over the five-year period 2024/25 to 2028/29. Full details are included in **Attachment 1** of this report.

The next stage in the process will see the assumptions and projections in both the General Fund and HRA Capital Programmes further refined in accordance with the direction provided by Cabinet, emerging intelligence and feedback provided by this Committee. This will include making the necessary adjustments to the 'capital consequences' assumed in revenue budgets.

**Reason for Decision:**

This report facilitates the scrutiny of the Council's financial position for 2024/25 to 2028/29 as it prepares draft budget options for 2024/25 and an updated Capital Programme for the next five years.

The Council faces a significant challenge in achieving a balanced budget for 2024/25 due to a projected General Fund budget gap of £3.720 million.

The comments made at this Committee, where relevant, will be reported to Cabinet for their consideration at their meeting on 4th December 2023.

**Legal and Governance Implications:**

The Council has a legal duty under the Local Government Finance Act 1992 to set a balanced budget. The revenue-related financial implications of the capital expenditure plans presented, are embedded in the draft Medium-Term Financial Plans (2024/25 to 2028/29).

**Safer, Cleaner, Greener Implications:**

The overall Capital Programme forms a key part of the Council's commitment to a 'Safer, Cleaner and Greener' (SCG) district, whereas the Housing Revenue Account Capital Programme in particular includes many SCG features including a range of environmentally friendly features within the planned Housebuilding Programme.

**Consultation Undertaken:**

The potential capital investment opportunities available to the Council are a key consideration in developing policy and strategy, which is informed by the public consultation process. Both the General Fund and Housing Revenue Account capital programmes are purposely focused around the delivery of the Council's Corporate Plan 2023-2027 and its three core ambitions of Stronger Communities, Stronger Place and Stronger Council.

**Background Papers:**

None.

**Risk Management**

The consideration of risk will form an integral part of the development of the proposals in the report. In particular, the Capital Programme is based on a series of estimates and assumptions that are informed by varying forms of intelligence (some certain, some uncertain); that process, including any residual risk in the decision-making process will be clearly indicated.

***Report to the Cabinet***

**Report reference:** C-023-2023/24  
**Date of meeting:** 9th October  
2023



**Portfolio:** Finance & Economic Development  
**Subject:** Capital Programme Update 2024/25 to 2028/29  
**Responsible Officer:** Andrew Small (01992 564278)  
**Democratic Services:** Vivienne Messenger (01992 564243)

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**Recommendations/Decisions Required:**

- 1) To note the contents of the report, including both the updated General Fund and Housing Revenue Account Capital Programmes (2024/25 to 2028/29) at *Appendix A*; and
- 2) Discuss and agree actions required (in the context of the updated Medium-Term Financial Plan) for the further refinement of the Capital Programme as part of developing integrated draft budget proposals for further consideration by Cabinet in December 2023.

**Executive Summary:**

Cabinet approved an updated Financial Planning Framework (2024/25 to 2028/29) at its meeting on 18th September 2023 and committed to receiving and considering an updated Capital Programme for 2024/25 to 2028/29. This provides essential context and is a key part of early budget preparations for 2024/25.

The updated (indicative) Capital Programme is in two parts and comprises total investment of £210.258 million (General Fund £53.913 million, Housing Revenue Account £156.345 million) over the five-year period 2024/25 to 2028/29.

The purpose of this report is to present and provide context for consideration by Members – alongside the Medium-Term Financial Plans (for both the General Fund and Housing Revenue Account) – an indicative draft Capital Programme for 2024/25 to 2028/29.

**General Fund Capital: Updated Summary (Indicative only)**

The updated General Fund Capital Programme totals £53.913 million over the five-year period and is summarised – by service – in the table below.

<b>Draft General Fund Capital Programme 2024/25 to 2028/29 (Service Summary)</b>						
<b>Service</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>Total</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
Commercial & Technical	18,396	3,091	1,065	1,136	1,156	<b>24,844</b>
Corporate Services	1,064	1,219	1,024	993	0	<b>4,300</b>
Housing (Property Services)	318	303	300	300	300	<b>1,521</b>
Qualis	21,218	2,030	0	0	0	<b>23,248</b>
<b>Totals</b>	<b>40,996</b>	<b>6,643</b>	<b>2,389</b>	<b>2,429</b>	<b>1,456</b>	<b>53,913</b>

Given the Council's challenging financial position, growth proposals at this stage are limited to 2028/29 routine "rolling items" of £1.456 million (of which £971,000 is funded by Government grant).

Members should note that growth items are indicative only at this stage (rather than clear budget proposals) and the views of Cabinet are sought to help enable the development of firmer proposals for inclusion in the initial draft budget in December 2023.

*Housing Revenue Account: Updated Summary (Indicative only)*

The updated HRA Capital Programme totals £156.345 million and is summarised in the table below.

<b>Draft HRA Capital Programme 2024/25 to 2028/29</b>						
<b>Description</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>Total</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
Housing Development Programme	17,450	17,288	9,107	8,477	0	<b>52,322</b>
Capital Works	23,609	13,287	15,004	17,654	15,457	<b>85,011</b>
Regeneration Schemes	3,950	3,250	6,000	0	0	<b>13,200</b>
Other Housing Schemes	1,490	1,026	1,038	1,358	900	<b>5,812</b>
<b>Totals</b>	<b>46,499</b>	<b>34,851</b>	<b>31,149</b>	<b>27,489</b>	<b>16,357</b>	<b>156,345</b>

The Programme is dominated by Housing Development (£52.322 million over 5 years) and routine Capital Works (£85.011 million over 5 years).

The Housing Development Programme includes both New Build Properties and Qualis Acquisitions.

The next stage in the process will see the assumptions and projections in both the General Fund and HRA Capital Programmes further refined in accordance with the direction provided by Cabinet and emerging intelligence. This will include making the necessary adjustments to the 'capital consequences' assumed in revenue budgets.

**Reasons for Proposed Decision:**

To provide an updated (initial) draft Capital Programme for the Cabinet's consideration, to allow discussion and direction in the further development of the Programme in order to balance the need to deliver on the Council's corporate priorities, whilst maintaining a balanced budget and achieving long-term financial sustainability.

**Legal and Governance Implications:**

The Council has a legal duty under the Local Government Finance Act 1992 to set a balanced budget. The revenue-related financial implications of the capital expenditure plans presented, are embedded in the draft Medium-Term Financial Plans (2024/25 to 2028/29).

**Safer, Cleaner and Greener Implications:**

The overall Capital Programme forms a key part of the Council's commitment to a 'Safer, Cleaner and Greener' (SCG) district, whereas the Housing Revenue Account Capital Programme in particular includes many SCG features including a range of environmentally friendly features within the planned Housebuilding Programme.

**Consultation Undertaken:**

The potential capital investment opportunities available to the Council are a key consideration in developing policy and strategy, which is informed by the public consultation process. Both the General Fund and Housing Revenue Account capital programmes are purposely focused around the delivery of the Council's Corporate Plan 2023-2027 and its three core ambitions of Stronger Communities, Stronger Place and Stronger Council.

**Background Papers:**

None.

**Risk Management:**

The consideration of risk will form an integral part of the development of the proposals in the report. In particular, the Capital Programme is based on a series of estimates and assumptions that are informed by varying forms of intelligence (some certain, some uncertain); that process, including any residual risk in the decision-making process will be clearly indicated.



## Appendix A

### Draft Capital Programme 2024/25 to 2028/29

#### GENERAL FUND & HRA October 2023

#### 1. Background and Introduction

- 1.1 The Capital Programme plays a vital part in the delivery of the Council's Corporate Plan since long-term investment is required to deliver many of the objectives in the Plan. The draft Capital Programme presented is a rolling five-year programme. It updates the five-year Programme adopted by the Council in February 2023 and takes account of spending and other developments up to 30th September 2023.
- 1.2 The updated Capital Programme is in two parts and comprises total investment of £210.258 million (General Fund £53.913 million, Housing Revenue Account £156.345 million) over the five-year period 2024/25 to 2028/29.
- 1.3 The purpose of this report is to present and provide context for consideration by Members – alongside the Medium-Term Financial Plans (for both the General Fund and Housing Revenue Account) – an initial draft Capital Programme for 2024/25 to 2028/29.

#### 2. General Fund Capital Programme 2024/25 to 2028/29 (Annex 1)

##### General Fund Capital: Budget Growth (Indicative)

- 2.1 Given the Council's challenging financial position, indicative growth proposals at this stage are limited to 2028/29 routine "rolling items" of £1.456 million (of which £971,000 is funded by Government grant). The indicative proposals at this stage are summarised in the table below.

<b>General Fund Capital Programme 2024/25 to 2028/29: Budget Growth (Indicative)</b>					
<b>Description</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
<b>Commercial &amp; Technical</b>					
CCTV Replacement Programme	5	72	34	105	125*
Disabled Facilities Grants (DFG)	0	0	0	0	971**
Home Assist Grants	0	0	0	0	30
Grounds Maintenance	0	0	0	0	30
<b>Housing (Property Services)</b>					
Planned Works on Investment Properties	0	0	0	0	250
Planned Works on Operational Properties	0	0	0	0	50
<b>Totals</b>	<b>5</b>	<b>72</b>	<b>34</b>	<b>105</b>	<b>1,456</b>

\* Subject to Cabinet approval (updated CCTV Strategy scheduled for consideration by Place Scrutiny Committee 24th February 2024) \*\* Funded exclusively by Government Grant

2.2 The views of Cabinet are sought at this stage to help enable the development of firmer proposals for inclusion in the initial draft budget in December 2023. Of particular note:

- The growth items presented in the table have been rolled forward at current spending levels. Underlying costs (wages and materials especially) are increasing. This means that if the current level of investment is to be maintained, additional expenditure will be required; and
- Annual expenditure budgets for ICT General Schemes and the ICT Strategy (£93,000 and £900,000 respectively in 2027/28) has *not* been automatically rolled forward and assumed in 2028/29. This is an area for consideration by Members. The current ICT Strategy is being considered in detail by the Joint ICT & Transformation Director in the light of the evolving Transformation (including Shared Services) needs of the Council (proposals will be presented in the draft Capital proposals presented to Cabinet in December 2023).

*General Fund Capital: Updated Summary*

2.3 Taking account of the indicative growth proposals presented above in Paragraph 2.1, the updated Capital Programme totals £53.913 million over the five-year period and is summarised – by service – in the table below.

<b>Draft General Fund Capital Programme 2024/25 to 2028/29 (Service Summary)</b>						
<b>Service</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>Total</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
Commercial & Technical	18,396	3,091	1,065	1,136	1,156	<b>24,844</b>
Corporate Services	1,064	1,219	1,024	993	0	<b>4,300</b>
Housing (Property Services)	318	303	300	300	300	<b>1,521</b>
Qualis	21,218	2,030	0	0	0	<b>23,248</b>
<b>Totals</b>	<b>40,996</b>	<b>6,643</b>	<b>2,389</b>	<b>2,429</b>	<b>1,456</b>	<b>53,913</b>

2.4 It should be noted that the table above excludes total budgeted expenditure of £4.471 million (excluding Qualis loans) in 2023/24. Subject to Member approval, unspent budgets in 2023/24 will automatically roll forward into 2024/25 and be available for the completion of pre-approved capital schemes.

2.5 The individual schemes in the table above include the following:

- **Commercial and Technical (£24.844 million)** – the Commercial and Technical service is leading on four separate schemes, which are dominated by two in particular:
  - **Epping Leisure Facility (£19.287 million)** – the new Epping Leisure Facility is the single largest scheme included in the Programme (estimated overall cost of £33.1 million, including budgeted spending of £12.170 million in 2023/24). The scheme will see the development of a replacement leisure facility for the existing (and aging) leisure facility in Epping as well as the construction of a multi-story car park. Cabinet approved the addition of this scheme to the Capital Programme at its meeting on 21st January 2021. Approval to appoint a contractor to build the leisure centre was approved in a report presented to Cabinet on 13th March 2023 (C-040-2022-23) along with approval to increase the overall budget by £8.1 million to £33.1 million; and
  - **Disabled Facilities Grants (£4.856 million)** – the Epping Forest District Council allocation for Disabled Facilities Grants is assumed to be maintained at current levels (£0.971 million annually), although this is an assumption that will be further reviewed in preparing more refined proposals for December 2023.
- **Corporate Services (£4.300 million)** – planned spending covers the Council's ICT capital investment needs (predominantly the ICT Strategy).
- **Housing (Property Services) (£1.521 million)** – the overall provision in the Capital Programme of £1.521 million is assumed unchanged from recent iterations of the Capital Programme. The future capital needs of the Commercial and Operational Property portfolios will be the subject of a detailed review as the Council develops a new Asset Management Plan (AMP). This will enable more refined estimates for consideration by Members; and
- **Qualis (£23.248 million)** – this is the forecast balance (as at 1st April 2024) on the previously agreed £68.218 million Development Loan (**£21.218 million**) plus the second advance on the previously agreed £16.783 million Asset Purchase Loan (**£2.030 million**). The loans remain a key enabler in the delivery of the Council's regeneration priorities in the district through Qualis; the Council receives a revenue margin on the loans, which is available to support general spending and minimise Council Tax increases. However, current assumptions are under review at the time of preparing this report in the light of the changing cashflow needs of Qualis, driven by changing development timetables and plans, as influenced by planning considerations as well as major external factors such as the rising cost of development schemes and changing interest rates.

### 3. Housing Revenue Account Capital Programme 2024/25 to 2028/29 (*Annex 2*)

3.1 The Housing Revenue Account Capital Programme has been updated as at 30th September 2023. The updated Programme totals £156.345 million and is summarised in the table below.

Draft HRA Capital Programme 2024/25 to 2028/29						
Description	2024/25	2025/26	2026/27	2027/28	2028/29	Total
	£000's	£000's	£000's	£000's	£000's	£000's
Housing Development Programme	17,450	17,287	9,107	8,477	0	52,322
Capital Works	23,609	13,287	15,004	17,654	15,457	85,011
Regeneration Schemes	3,950	3,250	6,000	0	0	13,200
Other Housing Schemes	1,490	1,026	1,038	1,358	900	5,812
<b>Totals</b>	<b>46,499</b>	<b>34,851</b>	<b>31,149</b>	<b>27,489</b>	<b>16,357</b>	<b>156,345</b>

3.2 The Programme is dominated by the Housing Development Programme and routine Capital Works:

- **Housing Development Programme (£52.322 million)** – the Housing Development Programme includes a combination of (direct) Housebuilding and Acquisitions from Qualis. Thus:
  - *Housebuilding (£39.669 million)* – this is expected to deliver a mixture of affordable (63 units) and social housing (62 units) rent properties and Qualis Acquisitions (6 social housing rent units, and 54 affordable rent units); and
  - *Qualis Acquisitions (£12.653 million)* – the Development Programme also includes the planned acquisition of 60 affordable rent and social housing rent properties across two sites: St. Johns (32) and Roundhills (28).
- **Capital Works (£85.011 million)** – planned Capital Works (which includes works on Windows, Doors, Roofing, Kitchens, Bathrooms etc.) over the five-year period average out at £17.002 million annually.

3.3 Members should note that the data in the “Fortress” model is being further refined. A major Stock Condition Survey (based on a 50% sample) has been completed and officers are currently cleansing and analysing the data prior to input into Fortress. Once the exercise is complete, it will provide a more accurate and focussed assessment of the Council’s future need for capital investment in its Housing Stock.

## Annex 1

### General Fund Capital Programme 2024/25 to 2028/29

#### INDICATIVE DRAFT

General Fund Capital Programme MTFP 2024/25 to 2028/29 (@ October 2023)						
Scheme	Financial Years					
	2024/25 Updated	2025/26 Updated	2026/27 Updated	2027/28 Updated	2028/29 New (Indicative)	Total MTFP 2024/25 to 2028/29
	£'s	£'s	£'s	£'s	£'s	£'s
<b>Commercial &amp; Technical</b>						
CCTV Replacement Programme	35,000	54,000	34,000	100,000	106,000	329,000
CarPark CCTV Systems	30,000	18,000	-	5,000	19,000	72,000
Disabled Facilities Grants (REFCuS)	971,210	971,210	971,210	971,210	971,210	4,856,050
Home Assist Grants (REFCuS)	30,000	30,000	30,000	30,000	30,000	150,000
Grounds Maintenance	30,000	30,000	30,000	30,000	30,000	150,000
Epping Leisure Centre (Bakers Lane)	17,300,000	1,987,440	-	-	-	19,287,440
<b>Sub-Totals</b>	<b>18,396,210</b>	<b>3,090,650</b>	<b>1,065,210</b>	<b>1,136,210</b>	<b>1,156,210</b>	<b>24,844,490</b>
<b>Corporate Services</b>						
ICT General Schemes	93,000	93,000	93,000	93,000	-	372,000
ICT Strategy	971,000	1,126,000	931,000	900,000	-	3,928,000
<b>Sub-Totals</b>	<b>1,064,000</b>	<b>1,219,000</b>	<b>1,024,000</b>	<b>993,000</b>	<b>-</b>	<b>4,300,000</b>
<b>Housing (Property Services)</b>						
Investment Properties (Planned Works)	250,000	250,000	250,000	250,000	250,000	1,250,000
Operational Properties (Planned Works)	68,000	53,000	50,000	50,000	50,000	271,000
<b>Sub-Totals</b>	<b>318,000</b>	<b>303,000</b>	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>	<b>1,521,000</b>
<b>Qualis</b>						
Regeneration Finance Loans	21,217,500	2,030,000	-	-	-	23,247,500
<b>Sub-Totals</b>	<b>21,217,500</b>	<b>2,030,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23,247,500</b>
<b>Total Expenditure</b>	<b>40,995,710</b>	<b>6,642,650</b>	<b>2,389,210</b>	<b>2,429,210</b>	<b>1,456,210</b>	<b>53,912,990</b>
<b>Capital Financing Analysis:</b>						
Capital Grants	971,210	971,210	971,210	971,210	971,210	4,856,050
Capital Receipts	1,028,420	1,099,770	1,103,490	1,107,250	485,000	4,823,930
Borrowing	38,996,080	4,571,670	314,510	350,750	-	44,233,010
<b>Total Financing</b>	<b>40,995,710</b>	<b>6,642,650</b>	<b>2,389,210</b>	<b>2,429,210</b>	<b>1,456,210</b>	<b>53,912,990</b>

## Annex 2

### Housing Revenue Account Capital Programme 2024/25 to 2028/29

#### INDICATIVE DRAFT

HRA Capital Programme MTFP 2024/25 to 2028/29 (@ October 2023)						
	Financial Year					Total MTFP 2024/25 to 2028/29
	2024/25 Updated	2025/26 Updated	2026/27 Updated	2027/28 Updated	2028/29 New (Indicative)	
Schemes	£'s	£'s	£'s	£'s	£'s	£'s
<b>Housing Development Programme:</b>						
Housebuilding	10,819,856	11,264,959	9,107,035	8,477,109	-	39,668,959
Qualis Acquisitions	6,630,335	6,022,275	-	-	-	12,652,610
<b>Sub-Totals</b>	<b>17,450,191</b>	<b>17,287,234</b>	<b>9,107,035</b>	<b>8,477,109</b>	<b>-</b>	<b>52,321,569</b>
<b>Capital Works:</b>						
Heating	2,680,040	1,629,976	1,904,695	1,909,891	1,909,891	10,034,493
Windows, Door and Roofing	5,379,110	3,191,320	4,155,290	5,236,110	3,939,219	21,901,049
Compliance Planned Maintenance	1,838,170	1,027,780	1,150,160	1,725,000	1,725,000	7,466,110
Kitchens & Bathrooms (inc void allocation)	4,965,400	2,961,190	3,345,780	4,483,330	3,583,330	19,339,030
Electrical	3,824,750	421,000	502,480	350,000	350,000	5,448,230
Net Zero Carbon Works	2,000,000	1,000,000	1,000,000	1,000,000	1,000,000	6,000,000
Environmental	1,059,000	1,189,600	892,000	892,000	892,000	4,924,600
Structural works	850,000	850,000	883,000	883,000	883,000	4,349,000
Disabled Adaptations	650,000	650,000	800,000	800,000	800,000	3,700,000
Asbestos Removal	294,560	294,560	294,560	294,560	294,560	1,472,800
Estate Improvements	68,000	72,000	76,000	80,000	80,000	376,000
<b>Sub-Totals</b>	<b>23,609,030</b>	<b>13,287,426</b>	<b>15,003,965</b>	<b>17,653,891</b>	<b>15,457,000</b>	<b>85,011,312</b>
<b>Regeneration Projects:</b>						
Broadway	2,750,000	1,250,000	-	-	-	4,000,000
Pylres Lane	1,200,000	-	-	-	-	1,200,000
Harvey Fields	-	2,000,000	-	-	-	2,000,000
Oakwood Hill Estate	-	-	6,000,000	-	-	6,000,000
<b>Sub-Totals</b>	<b>3,950,000</b>	<b>3,250,000</b>	<b>6,000,000</b>	<b>-</b>	<b>-</b>	<b>13,200,000</b>
<b>Other Housing Schemes:</b>						
Service Enhancements (General)	311,299	92,340	46,000	542,000	500,000	1,491,639
Housing Asset Management Project	111,480	-	-	-	-	111,480
Service Enhancements (HFFHH)	154,000	154,000	114,000	-	-	422,000
Sheltered Block Refurbishments	363,000	370,000	378,000	386,000	-	1,497,000
Emergency Alarm Upgrades	360,000	360,000	-	-	-	720,000
Sheltered Housing Works	190,000	50,000	500,000	430,000	400,000	1,570,000
<b>Sub-Totals</b>	<b>1,489,779</b>	<b>1,026,340</b>	<b>1,038,000</b>	<b>1,358,000</b>	<b>900,000</b>	<b>5,812,119</b>
<b>Total Expenditure</b>	<b>46,499,000</b>	<b>34,851,000</b>	<b>31,149,000</b>	<b>27,489,000</b>	<b>16,357,000</b>	<b>156,345,000</b>
<b>Capital Financing Analysis:</b>						
Grants	3,043,000	3,102,000	2,963,000	2,963,000	-	12,071,000
Capital Receipts	4,692,000	4,645,000	1,548,000	1,295,000	227,000	12,407,000
Major Repairs Reserve	10,700,000	10,914,000	11,132,000	11,355,000	11,582,000	55,683,000
Direct Revenue Contributions	2,156,000	2,252,000	1,985,000	1,949,000	1,530,000	9,872,000
Borrowing	25,908,000	13,938,000	13,521,000	9,927,000	3,018,000	66,312,000
<b>Total Financing</b>	<b>46,499,000</b>	<b>34,851,000</b>	<b>31,149,000</b>	<b>27,489,000</b>	<b>16,357,000</b>	<b>156,345,000</b>

**Communities Scrutiny Committee Work Programme 2023/24**  
**Chairman: Councillor A Patel**

	Item	Date	Progress/Comments	Lead Officer
<b>27 June 2023</b>				
1	Resident Involvement Strategy	27 June 2023	Introduction and approval to progress to Cabinet C/F from Stronger Communities Select Committee Work Programme: Recommended to Cabinet	Surjit Balu
2	Housing Repairs Value for Money	27 June 2023 26 Sept 2023	Value for Money (Exempt Report) Update from Strategic Director	Andrew Small
<b>26 September 2023</b>				
3	Housing Allocation Scheme	26 Sept 2023	12-month review of the Housing Allocation Scheme	Surjit Balu
4	Annual Lettings Report	26 Sept 2023	To scrutinise allocations and lettings performance for 22/23 C/F from Stronger Communities Select Committee Work Programme 2022/23	Surjit Balu
5	Safer Streets	19 March 2024	<i>C/F from Stronger Communities Select Committee Work Programme.</i> <b>MOVED- to align with the dedicated police and community safety meeting.</b>	Caroline Wiggins
6	Landlord Compliance Policies Fire Safety Policy Gas and Heating Policy Lift Safety Policy Water Safety Policy Electrical Safety Policy	26 Sept 2023	To review compliance policies that are a regulatory requirement and form part of the Council's wider organisational commitment to driving a health and safety culture amongst staff Status and contractors.	Surjit Balu

	Item	Date	Progress/Comments	Lead Officer
12	Asset Based Community Development – Community Champions	26 Sept 2023		G Wallis
<b>16 January 2024</b>				
7	HRA Business Plan		Yearly Performance update	Surjit Balu
8	Qualis Property Solutions Performance Reporting		Presentation on Housing Repair Performance (Qualis)	Surjit Balu / Ben Johnson (Qualis)
9	Customer Services (Overall satisfaction)		To receive an update on improvements to this Key Performance Indicator	Susan Lewis
13	Epping Forest Health and Wellbeing Strategy		Annual Report	Gill Wallis
<b>5 March 2024</b>				
10	Annual Housing performance report		Report on annual housing KPI's including compliance around the Building Safety Act <i>C/F from Stronger Communities Select Committee Work Programme</i>	Surjit Balu
11	Tenant Satisfaction Measures		<i>C/F from Stronger Communities Select Committee Work Programme 2022/23</i>	Surjit Balu
<b>19 March 2024 – NEW Meeting</b>				
14	Presentation from the District Commander for Epping Forest and Brentwood		Annual Report	Caroline Wiggins
15	Community Safety Partnership		Annual report and review of the district Strategic Intelligence Assessment	Caroline Wiggins



	Item	Date	Progress/Comments	Lead Officer
<b>To be consider in the next municipal Year 2024/25</b>				
	Housing Repair Value for money	tbc	Recommendation item 8 minutes 27 June 2023 Further work to be undertaken/ annual benchmarking commissioned and reported to this scrutiny.	

**Place Scrutiny Committee Work Programme 2023/24**  
**Chairman: Councillor H Kane**

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	Item		Progress/Comments	Lead Officer
<b>4 July</b>				
1	Grounds Maintenance	4 July 2023,  19 Sept 2023	Grounds Maintenance Service Update (Qualis Presentation – Ben Johnson)  Agreed to an additional update from Qualis at 19 Sept meeting	Jen Gould
2	Waste Collection Services Future Delivery Options	Completed	Scrutiny of Options Paper Options (Exempt Report) restricted papers	James Warwick
3	Climate Change Action Plan	Completed	c/f from Stronger Place Select Committee	Fran Edmonds/ Nigel Richardson
<b>19 September 2023</b>				
4.	<i>Technical Service</i>	<i>tbc</i>	<i>To provide an update on the service functions and key areas of delivery for the year; item to be reviewed. <b>Delayed</b> due to additional agenda items</i>	<i>Mandy Thompson</i>
5.	Grounds Maintenance	19 Sept 23	Contract Monitoring and review of grounds maintenance post transfer to Qualis Property Service (EFDC)	Mandy Thompson
6.	District Wide Public Space Protection Order – Dog Control	19 Sept 2023	The introduction of Dog control areas. Pre scrutiny report - Cabinet 9 October 2023	Mandy Thompson
7.	Waste Strategy for Essex	19 Sept 2023	Overview of waste strategy for Essex and consultation plans.	James Warwick
8.	<i>Air Pollution Mitigation Strategy</i>	<i>tbc</i>	<i>Approval of an updated strategy to mitigate the impact of air pollution from new developments on the Epping Forest Special Area of conservation <b>Postponed</b> pending the completion of monitoring and traffic modelling.</i>	<i>Nigel Richardson</i>

	Item		Progress/Comments	Lead Officer
9.	Public Space Protection Order (Debden Broadway)	19 Sept 2023	<b>NEW ITEM</b> Public Space Protection Order Pre scrutiny report - Cabinet 9 October 2023	Mandy Thompson
<b>9 January 2023</b>				
10.	Planning /Development Management and Planning Enforcement	9 Jan 2024	As requested by O & S APG 12 Jan 2023 To include virtual attendance at planning meetings (Stronger Council Select Committee c/f)	Nigel Richardson
11.	Epping Leisure Centre Progress Report	9 Jan 2024	Progress report on the construction of the new Epping Leisure Centre	James Warwick
12.	Digital Innovation Zone (DIZ)	9 Jan 2024	<b>NEW ITEM</b> Annual progress review of the DIZ and to include an impact assessment of the project to provide fibre-based services to GP practices. – proposed at 4 July	Jen Gould/ Mike Warr
<b>27 February 2024</b>				
13.	Waste Programme Update	27 Feb 2024	Progress report on three waste workstreams: WS1: Future delivery of Waste Services WS2: Mobilise a New Environment Operations Centre WS3: Procurement of a Waste Vehicle Fleet	James Warwick



**Epping Forest  
District Council**

## **FORWARD PLAN**

### **The Key Decision List including Proposed Private Decisions**

**FOR THE PERIOD 1 OCTOBER 2023 TO 31 JANUARY 2024**

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The Council publishes a notice for each Key Decision or decision to be made in private at least 28 days before that decision is made.

The Cabinet Forward Plan will be updated on a monthly rolling programme to coincide with the requirements of the of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

Further information is provided in the [Constitution – Article 14 Decision – Making](#)

Epping Forest District Council's aims and key objectives are detailed in the [Corporate Plan](#).

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Published: 29.09.23

EXPECTED REPORTS	MEETING	DATE OF MEETING	KEY AND / OR EXEMPT DECISION	REPORT AUTHOR	LEAD DIRECTOR / MANAGER	NOTES / COMMENTS
<b>LEADER Portfolio Holder: Cllr C Whitbread</b>						
Risk Management - Corporate Risk Register To consider the corporate risk register and approve the Risk Management Strategy and Policy.	Cabinet	4 December 2023	Key Significantly effects 2 or more wards	Andrew Small, Strategic Director, Corporate and Section 151 Officer	Strategic Director Corporate and Section 151 Officer	
Interim Polling Districts as a result of the Boundary Review	Council	Not before 1st October 2024	Key Significantly effects 2 or more wards	Paula Maginnis, Service Director (Corporate Services)	Strategic Director Corporate and Section 151 Officer	
<b>PLACE Portfolio Holder: Cllr N Bedford</b>						
HGGT Governance / Joint Committee Update on and approval of HGGT Joint Committee delegations Framework and other relevant decisions.	Cabinet	13 November 2023	Key Raises new issues of Policy	Nigel Richardson, Service Director (Planning Services)		
North Weald Bassett Master Plan Allocation Site Approval sought to go out to consultation	Cabinet	13 November 2023	Key Increases Financial Commitments in Future Years	Nigel Richardson, Service Director (Planning Services)	Chief Operating Officer	
Place Strategy	Cabinet	13 November 2023	Key Significantly effects 2 or more wards	Georgina Blakemore, Chief Executive	Chief Operating Officer	

EXPECTED REPORTS	MEETING	DATE OF MEETING	KEY AND / OR EXEMPT DECISION	REPORT AUTHOR	LEAD DIRECTOR / MANAGER	NOTES / COMMENTS
	Cabinet Agenda Planning Group	9 October 2023	Open			
	Executive Briefing	23 October 2023				
Planning Strategic Masterplans Update on stages to adoption of Local Plan Strategic Masterplans	Cabinet	4 December 2023	Key Significantly effects 2 or more wards	Nigel Richardson, Service Director (Planning Services)	Chief Operating Officer	
	Cabinet Agenda Planning Group	30 October 2023	Open			
	Executive Briefing	13 November 2023				
Planning – Infrastructure Funding Annual Infrastructure Funding Statement	Cabinet	4 December 2023	Key Significantly effects 2 or more wards	Nigel Richardson, Service Director (Planning Services)	Chief Operating Officer	
	Cabinet Agenda Planning Group	30 October 2023	Open			
	Executive Briefing	13 November 2023				
<b>FINANCE &amp; ECONOMIC DEVELOPMENT Portfolio Holder: Cllr J Philip</b>						
Medium Term Financial Plan 2024/25 – 2028/29 Updated Medium Term Financial Plan 2024/25 – 2028/29	Cabinet	9 October 2023	Key Expenditure > £250k	Christopher Hartgrove, Interim Chief Financial Officer	Strategic Director Corporate and Section 151 Officer	
	Overview & Scrutiny Committee	24 October 2023	Open			

EXPECTED REPORTS	MEETING	DATE OF MEETING	KEY AND / OR EXEMPT DECISION	REPORT AUTHOR	LEAD DIRECTOR / MANAGER	NOTES / COMMENTS
Capital Programme Update 2024/25 – 2028/29 To review programme	Cabinet	9 October 2023	Key Expenditure > £250k	Christopher Hartgrove, Interim Chief Financial Officer	Strategic Director Corporate and Section 151 Officer	
	Overview & Scrutiny Committee	24 October 2023	Open			
Local Council Tax Support Scheme To make changes to the Council's Local Council Tax Support Scheme.	Cabinet	13 November 2023	Key Significantly effects 2 or more wards	Rob Pavey, Service Director (Customer Services)	Strategic Director Corporate and Section 151 Officer	
	Overview & Scrutiny Committee	24 October 2023				
Quarter 2 Budget Monitoring Report 2023/24 To review Q2	Cabinet	13 November 2023	Key Expenditure > £250k	Christopher Hartgrove, Interim Chief Financial Officer	Strategic Director Corporate and Section 151 Officer	
	Cabinet Agenda Planning Group	9 October 2023	Open			
	Executive Briefing	23 October 2023				
	Overview & Scrutiny Committee	24 October 2023				
Qualis Quarter 4 Budget Monitoring Report 2023 To review Q4	Cabinet	13 November 2023	Key Expenditure > £250k	Vivienne Messenger, Democratic Services Officer	Strategic Director Corporate and Section 151 Officer	
	Cabinet Agenda Planning Group	9 October 2023	Open			
	Executive Briefing	23 October 2023				

EXPECTED REPORTS	MEETING	DATE OF MEETING	KEY AND / OR EXEMPT DECISION	REPORT AUTHOR	LEAD DIRECTOR / MANAGER	NOTES / COMMENTS
Indicative Draft Budget 2024/25 Draft Budget which includes General Fund & HRA revenue, Capital, Fees & Charges and updated Medium Term Financial Plan)	Cabinet	4 December 2023	Key Expenditure > £250k  Open	Christopher Hartgrove, Interim Chief Financial Officer	Strategic Director Corporate and Section 151 Officer	
	Cabinet Agenda Planning Group	30 October 2023				
	Executive Briefing	13 November 2023				
	Overview & Scrutiny Committee	23 January 2023				
Quarter 3 Budget Monitoring Report 2023/24 To review Q3	Cabinet	5 February 2024	Key Expenditure > £250k  Open	Christopher Hartgrove, Interim Chief Financial Officer	Strategic Director Corporate and Section 151 Officer	
	Cabinet Agenda Planning Group	4 January 2024				
	Executive Briefing	15 January 2024				
	Overview & Scrutiny Committee	23 January 2024				
Final Draft Budget Proposals 2024/25 Final Budget Papers which include General Fund & HRA revenue, Capital, Fees & Charges and updated Medium Term Financial Plan)	Cabinet	5 February 2024	Key Expenditure > £250k  Open	Christopher Hartgrove, Interim Chief Financial Officer	Strategic Director Corporate and Section 151 Officer	
	Cabinet Agenda Planning Group	4 January 2024				
	Executive Briefing	15 January 2024				
Qualis Q1 Budget Monitoring 24/25 To review Q1	Cabinet	5 February 2024	Key Expenditure > £250k	Christopher Hartgrove, Interim Chief Financial Officer	Strategic Director Corporate and Section 151	
	Cabinet Agenda Planning Group	4 January 2024				



EXPECTED REPORTS	MEETING	DATE OF MEETING	KEY AND / OR EXEMPT DECISION	REPORT AUTHOR	LEAD DIRECTOR / MANAGER	NOTES / COMMENTS
	Executive Briefing	15 January 2024	Open		Officer	
<b>HOUSING &amp; STRATEGIC HEALTH PARTNERSHIPS Portfolio Holder: Cllr H Whitbread</b>						
<b>Landlord Compliance Policies</b> These compliance policies – the Electrical Safety Policy, Fire Safety Policy, Gas and Heating Policy, Lift Safety Policy and Water Hygiene Policy – are a regulatory requirement and form part of the Council’s wider organisational commitment to driving a health and safety culture amongst staff and contractors.	Cabinet	9 October 2023	Key Significantly effects 2 or more wards	Surjit Balu, Interim Director of Housing and Property	Chief Executive	
<b>Allocation Scheme</b> Review of Policy	Cabinet	13 November 2023	Key Raises new issues of Policy	Surjit Balu, Interim Director of Housing and Property	Chief Operating Officer	
	Cabinet Agenda Planning Group	9 October 2023	Open			
	Executive Briefing	23 October 2023				
<b>HRA Business Plan</b> To review	Cabinet	13 November 2023	Key Expenditure > £250k	Surjit Balu, Interim Director of Housing and Property	Chief Operating Officer	
	Cabinet Agenda Planning Group	9 October 2023	Open			
	Executive Briefing	23 October 2023				

EXPECTED REPORTS	MEETING	DATE OF MEETING	KEY AND / OR EXEMPT DECISION	REPORT AUTHOR	LEAD DIRECTOR / MANAGER	NOTES / COMMENTS
Qualis Business Plan To review	Cabinet	13 November 2023	Key Expenditure > £250k  Open	Surjit Balu, Interim Director of Housing and Property	Chief Operating Officer	
	Cabinet Agenda Planning Group	9 October 2023				
	Executive Briefing	23 October 2023				
Home Ownership Policy	Cabinet	4 December 2023	Key Significantly effects 2 or more wards	Surjit Balu, Interim Director of Housing and Property	Chief Operating Officer	
Older Persons Strategy	Cabinet	4 December 2023	Key Significantly effects 2 or more wards	Surjit Balu, Interim Director of Housing and Property	Chief Operating Officer	
Asset Management Strategy	Cabinet	4 December 2023	Key Significantly effects 2 or more wards	Surjit Balu, Interim Director of Housing and Property	Chief Operating Officer	
<b>COMMUNITY HEALTH &amp; WELLBEING Portfolio Holder: Cllr S Patel</b>						
Role of Local Government in the Integrated Care System Conclusion of the Task and Finish Panel	Communities Scrutiny Committee	Not before 1st January 2024	Key  Open	Jennifer Gould, Strategic Director and Chief Operating Officer	Chief Operating Officer	

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EXPECTED REPORTS	MEETING	DATE OF MEETING	KEY AND / OR EXEMPT DECISION	REPORT AUTHOR	LEAD DIRECTOR / MANAGER	NOTES / COMMENTS
<b>CONTRACTS, SERVICE DELIVERY &amp; IMPROVEMENT Portfolio Holder: Cllr R Balcombe</b>						
Award of Off-Street Parking Enforcement Contract To award the off-street parking enforcement contract.	Cabinet	4 December 2023	Key Significantly effects 2 or more wards	James Warwick, Interim Acting Service Director (Contracts)	Chief Operating Officer	
	Cabinet Agenda Planning Group	30 October 2023				
	Executive Briefing	13 November 2023				
Procurement of Waste Fleet Vehicles To approve the procurement of the specified waste fleet vehicles.	Cabinet	4 December 2023	Key Significantly effects 2 or more wards	James Warwick, Interim Acting Service Director (Contracts)		
	Cabinet Agenda Planning Group	30 October 2023				
	Executive Briefing	13 November 2023				
<b>REGULATORY SERVICES Portfolio Holder: Cllr K Williamson</b>						
Grounds Maintenance Update Update on the Grounds Maintenance service post transfer.	Cabinet	9 October 2023	Key Significantly effects 2 or more wards	Mandy Thompson, Interim Acting Service Director (Technical)	Chief Operating Officer	
Public Spaces Protection Order (PSPO) - Dog Control Renewal of powers to enforce dog control measures.	Cabinet	9 October 2023	Key Significantly effects 2 or more wards	Mandy Thompson, Interim Acting Service Director (Technical)	Chief Operating Officer	

EXPECTED REPORTS	MEETING	DATE OF MEETING	KEY AND / OR EXEMPT DECISION	REPORT AUTHOR	LEAD DIRECTOR / MANAGER	NOTES / COMMENTS
Public Spaces Protection Order (PSPO) - Debden Broadway To respond to issues of ASB.	Cabinet	9 October 2023	Key Significantly effects 2 or more wards	Mandy Thompson, Interim Acting Service Director (Technical)	Chief Operating Officer	
Taxi Tariff Consultation Review of the charges that apply to passengers, taxis, and Hackney Carriages.	Cabinet	9 October 2023	Key Significantly effects 2 or more wards	Mandy Thompson, Interim Acting Service Director (Technical)	Chief Operating Officer	
Contaminated Land Strategy Policy Document.	Cabinet	4 December 2023	Key Significantly effects 2 or more wards	Mandy Thompson, Interim Acting Service Director (Technical)	Chief Operating Officer	
<b>CUSTOMER and CORPORATE SUPPORT SERVICES Portfolio Holder: Cllr S Kane</b>						
Customer/Digital Strategy	Cabinet	Not before 31st October 2023	Key Significantly effects 2 or more wards	Rob Pavey, Service Director (Customer Services)	Strategic Director Corporate and Section 151 Officer	
Financial IT System To replace the current financial and procurement system with one consolidated Cloud based IT system.	Customer and Corporate Support Services Portfolio Holder		Key Significantly effects 2 or more wards	Christopher Hartgrove, Interim Chief Financial Officer	Strategic Director Corporate and Section 151 Officer	

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