

# **Report to Overview & Scrutiny Committee**

**Date of meeting: 18th July 2023**



**Subject: Quarter 4 Budget Monitoring Report 2022/23 (Provisional Outturn)**

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

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## **Recommendations/Decisions Required:**

- 1. The General Fund revenue position at the end of Quarter 4 (Provisional Outturn) for 2022/23 be noted (*Appendix A*).**
- 2. The General Fund capital position at the end of Quarter 4 (Provisional Outturn) for 2022/23 be noted (*Appendix B*).**
- 3. The Housing Revenue Account revenue position at the end of Quarter 4 (Provisional Outturn) for 2022/23 be noted.**
- 4. The Housing Revenue Account capital position at the end of Quarter 4 (Provisional Outturn) for 2022/23 be noted (*Appendix C*); and**
- 5. To note and approve the Movements on Earmarked Reserves presented in Paragraphs 3.3 to 3.5, including the proposal (approved by Cabinet 30th May 2023) to fund one-off severance costs of £260,025 from available resources within the District Development Fund (DDF).**

## **Executive Summary:**

This report sets out the 2022/23 General Fund and Housing Revenue Account positions for both revenue and capital, as at 31st March 2023, which represents the Quarter 4 (Provisional Outturn) for the 2022/23 financial year.

It should be noted that, at the time of preparing this report (for presentation to Cabinet on 30th May 2023), the Finance team were in the final stages of compiling the Council's annual Statement of Accounts (SOA) for 2022/23. Consequently, it was possible – at that stage – that the figures presented could have been subject to change as final adjustments were made to the draft SOA prior to publication. However, it can now be confirmed that the draft SOA were subsequently published on 2nd June 2023, without the need for any further adjustment to the figures; this report therefore now reflects the draft Outturn for 2022/23 (as opposed to "Provisional" Outturn). The draft Statement of Accounts 2022/23 are themselves subject to external audit in due course.

In terms of General Fund revenue expenditure – at the Quarter 4 (Provisional Outturn) stage – the adopted budget was exceeded by £1.286 million, with net expenditure of £16.917 million recorded against an overall budget provision of £15.631 million.

As with Quarters 1, 2 and 3, the Quarter 4 (provisional outturn) position is dominated by a range of substantial spending pressures, most notably:

- Inflation/Staff Budgets – a sharp increase in UK inflation following the setting of the budget continues to drive higher pay demands across both the public and private sectors. The Pay Settlement for 2022/23 was finalised in November 2022 with staff receiving an uplift of £1,925 at all pay grades, which equated to an average pay award in the region of 5.0% rather than the 2.0% award assumed in the budget. However, this was offset – to a large extent – by salary savings due to vacant posts; and
- Local Plan – the delayed Local Plan also caused a major shortfall in income received from Planning Applications. It is also a major factor in the delayed drawdown of Qualis loans due to planning delays on key development sites in the district; this led to a shortfall in income that the Council assumed from loan margins in the budget.

The economic difficulties experienced during the year also created a range of other problems with inflation impacting on energy and contract costs, with rising interest rates also working against the Council.

The major financial challenges encountered this year, served to underline the importance of the Qualis income stream, with the Council receiving a net revenue stream of £1.775 million, which included a net margin on loans of £2.057 million.

The eventual funding position on the General Fund was mixed. The emerging shortfall on funding from the Council Tax Sharing Agreement (CTSA) that was flagged in Quarter 3, ended up greater than originally envisaged due to depressed Local Tax collection rates (including Council Tax) in Quarter 4; this eventually resulted in a funding shortfall of £417,000 on the CTSA. But this was largely offset by a stronger outturn on Business Rates, with overall funding from this source exceeding the original budget assumption by £342,000.

With regard to Reserves, the General Fund Reserve ended the year at £3.219 million (below the adopted minimum contingency of £4.0 million), with Earmarked Reserves ending the year at £3.086 million. The overall position on Earmarked Reserves reflects the funding of Severance costs of £260,025 from the District Development Fund (DDF) (subject to approval in Recommendation 5 above).

Turning to the Housing Revenue Account (HRA), despite facing the same challenges as the General Fund in many respects (especially the impact of inflation on staffing and energy costs), the HRA recorded a budget underspend of £4.065 million, primarily driven by slippage in the Housing Development Programme; this led to significantly reduced borrowing costs and revenue contributions to capital.

The HRA balance ended the year at £4.552 million (the adopted minimum contingency balance in the HRA Business Plan is £2.0 million).

Turning to capital spending:

- General Fund Capital Programme – overall spending for the year was £11.949 million, which led to an underspend of £106.207 million. The drawdown on Qualis loans was lower than the budget and was the most significant variance (£88.247 million); and
- Housing Revenue Account Capital Programme – overall spending for the year was £15.875 million, which led to an underspend of £36.624 million. Slippage on the Housing Development Programme is the most notable factor.

## 1) Background and Introduction

- 1.1 The Council's budget for 2022/23 (both General Fund and Housing Revenue Account) was approved by full Council on 24th February 2022. This report updates the Cabinet on how the Council's services have performed against their budgets in the financial year.
- 1.2 This is the fourth (and final) update for 2022/23 and includes the 2022/23 General Fund and Housing Revenue Account positions, for both revenue and capital, as at 31st March 2023 ("Quarter 4").

## 2) General Fund Revenue Budget

### Net Expenditure

- 2.1 The General Fund **net expenditure** position for 2022/23, at the Quarter 4 (Provisional Outturn) stage – summarised by service area – is presented in **Appendix A**. A budget overspend - of £1.286 million - has been recorded, with net expenditure of £16.917 million against an overall budget provision of £15.631 million. The table below summarises the position by service.

GF Net Expenditure Budget 2022/23 (Quarter 4)			
Description	Budget 2022/23	Outturn (31/03/23)	Variance
	£000's	£000's	£000's
Chief Executive	658	659	1
Commercial & Technical	139	(125)	(264)
Community & Wellbeing	1,783	1,454	(329)
Corporate Services	9,763	8,741	(1,022)
Customer Services	2,255	3,032	777
Finance & Audit	2,411	2,974	563
Housing & Property	1,849	1,541	(308)
Place	375	297	(78)
Planning & Development	1,480	1,976	497
Strategy, Delivery & Performance	850	600	(250)
Qualis	(2,909)	(1,775)	1,135
HRA Recharges	(5,225)	(5,116)	108
Financing	2,202	2,657	455
<b>Totals (Net Expenditure)</b>	<b>15,631</b>	<b>16,917</b>	<b>1,286</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:

- **Qualis Income (£1,134,544 Overspend)** – the lengthy delay in finalising the Local Plan, as well as challenging economic conditions, have had a detrimental impact on anticipated income from the margins that the Council generates from Qualis loans, with the pace of drawdowns being dampened by planning delays and (updated) viability assessments on key development sites. Rising interest rates have also been driving up the cost of PWLB borrowing for the Council, which is putting a further squeeze on loan margins. The combined impact resulted in shortfall in net income of £1,134,544.
- **Customer Services (£777,318 Overspend)** – the Customer Services directorate exceeded its budget, primarily due to a late accounting adjustment (of £581,784) in respect of Housing Benefit Overpayments (HBOs); the size of the adjustment was driven – to a large extent – by a substantial increase in the value of HBO invoices raised in the year (up 42% from £612,575 in 2021/22 to £869,187 in 2022/23). This can be a volatile budget line, with the increase in HBOs in 2022/23 driven most notably by the full rollout of the DWP Housing Benefit Accuracy Award (“HBAA”), which required the Council to conduct additional testing on Housing Benefit assessments (necessarily leading to an increase in detected errors). The ongoing automation of the Housing Benefit system (with the DWP directly uploading changes onto “Academy”) also plays a part. Detected HBOs will be higher generally in Epping as the Council performs particularly well in the Pan-Essex Anti-Fraud initiative, although the budget will be reviewed in detail in 2023/24 in the light of the 2022/23 outturn.
- **Finance & Audit (563,169 Overspend)** – the most significant cost pressure in Finance and Audit in 2022/23 was the need to make additional contributions to the Bad Debt Provision (BDP). The year-end contribution requirement was £409,130 compared to a budget provision of £100,000, resulting in an overspend of £309,130; the position on the BDP this year was mixed with some good news (e.g., there was a reduced contribution requirement of £236,540 on Commercial Property Rents compared to 2001/22), but this was generally outweighed by the need to contribute more in a range of other miscellaneous areas (e.g., an increased year end Arrears List on Council Tax and Business Rates drove an increased contribution of £112,050 on outstanding Court Costs compared to 2021/22). In addition, expenditure on the Accountancy cost centre exceeded budget by £260,840, with the largest underlying variance being an overspend of £134,540 on the Agency budget; as previously reported, the Accountancy function has been reliant on substantial input from agency staff and other contractors during its transition into the new Corporate Finance Team and, although that process has now concluded, with the new permanent team in place (with almost all interim staff released), the continued delays in the Statement of Accounts audits (for both 2020/21 and 2021/22) has necessitated the limited retention of key interim technical resources beyond what was originally envisaged.
- **Planning & Development (£496,586 Overspend)** – the delayed Local Plan also caused substantial pressure on the Planning & Development budget, with many developers delaying the submission of planning proposals pending formal adoption of the Plan. The 2022/23 budget was prepared based on available intelligence at the time; this included the assumption that the finalised Local Plan would be in place for substantially all of the financial year and generate £1,711,780 in income from Planning Applications. The Local Plan was eventually finalised on 6th March 2023. Total income from Planning Applications in 2022/23 was £929,610 in the end, resulting in a budget pressure of £782,170. However, this was offset by a range of other positive variances, most notably on the anticipated costs of implementing the Local Plan itself, which were £214,710 lower than the overall budget; this included savings on Counsels Advice (£45,800), Site Selection and Infrastructure Delivery Plan (£30,520) and Viability Assessments (£30,300). These variances combined to drive a negative variance of £496,586 for the directorate as a whole.

- **Financing (£454,404 Overspend)** – rapidly rising interest rates have caused significant pressure on Financing costs this year. Higher interest rates actually benefit some budget lines with a notable underspend recorded on Interest Receivable (£334,130) in particular. However, as a net borrower, higher interest rates have a negative impact on this Council, with Interest Payable exceeding the budget provision by £1,053,030 in 2022/23; and
- **HRA Recharges (£108,108 Overspend)** – interest rates have also had an impact on HRA Recharges, with a sharp increase in interest payable (from the General Fund to the HRA) on HRA balances; the annual adjustment (based on “SONIA” rates) in recent years has been relatively stable at circa £60,000. However, the corresponding figure for 2022/23 was £294,190.

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

- **Corporate Services (£1,021,929 Underspend)** – the forecast surplus on Corporate Services is dominated by three substantial underspends. Firstly, the ICT cost centre was underspent by £382,900. A detailed review of all ICT budget lines was undertaken in the light of the corporate position; this led to the modification of operational plans in some instances (triggering a combined saving of £96,440 on Professional, Agency and Consultants Fees for example). A wide range of other smaller ICT-related savings were also recorded for different reasons, including an underspend of £74,790 on the new/upgraded Finance System & Azure Cloud Hosting (both due to project delays). Secondly, a significant underspend (of £238,000) was also recorded on Other Support Services, with much of the variance driven by staff vacancies. This included two vacant posts in the Legal cost centre which, even after agency costs are factored in, resulted in savings of £124,000. And thirdly, the saving of £189,326 previously reported in Quarter 3 on Insurance Premiums (following the commencement of the new Insurance contract) was added to in Quarter 4 by a further saving of £48,000 due to a lower number of Casualty Excess payments compared to the budget assumption.
- **Community & Wellbeing (£328,309 Underspend)** – the most significant area of savings on this directorate relates to the Homelessness service, which was underspent by £113,560 due to a combination of two Homelessness Officer posts, which were vacant for the first 9 months of the financial year (saving £33,340), and additional Government grant of £90,680. Staff vacancies in Museums also drove an underspend of £89,720 in that service area, and the recent promotion of the Service Director to Interim Strategic Director (paid from the Chief Executive’s budget) resulted in a further underspend of £52,820. In addition, income received from the hire of the Limes Centre exceeded budget expectations by £56,140.
- **Housing & Property (£307,746 Underspend)** – the underspend recorded in this directorate was due to a range of contributory factors, with the largest area being Facilities and Depot Management where overall savings of £125,780 were recorded, primarily driven by an underspend of £111,450 on the Building Maintenance budget. Significant underspends were also recorded on Housing and Property Support Services (£90,640 mainly driven by recharges to the Capital Programme and the HRA) and Accommodation (£71,220 mainly due to a saving of £117,000 in Business Rates on the Civic Centre, following the removal of the Conder Building from the assessment).

- **Commercial & Technical (£264,016 Underspend)** – a combination of factors led to an underspend of £264,020 on this directorate. The most notable underspend (of £584,000) was recorded on the Recycling contract, primarily due to an income surplus, triggered by a substantial increase in market rates for recyclable materials (embedded in the contract for 2022/23); total receipts from this source exceeded original expectations by £461,810. Contract and Technical Support Services also recorded a surplus of £226,080 due to staff vacancies in the Policy Group (with the Service Director and Manager posts contributing a saving of £142,000) and Grounds Maintenance South (various contributing a saving of £89,000). In addition, a net surplus on rental income was recorded at North Weald Airfield (NWA), primarily due to the receipt of an ‘early exit payment’ from HMRC as part of the agreed terms for vacating the site. In contrast, the directorate did experience some offsetting budget pressures most notably in Leisure Facilities, which was overspent by £507,440 primarily due to a shortfall on the Leisure Services Management Fee (mainly as a consequence of a contract adjustment of £528,000 to reflect the sharp increase in energy costs incurred by the contractor). And finally, the rising cost of car parts experienced by the Fleet Operations service was a significant factor in the budget overspend of £158,210 recorded in the overall Car Parking budget group; and
- **Strategy, Delivery and Performance (£249,623 Underspend)** – the most significant area of underspend in the SDP directorate relates to a decision taken not to recruit to a vacant Performance & PMO Analyst post, resulting in an anticipated saving of £75,404. In addition, the re-scheduling of projects has led to an underspend on Consultancy Fees (£101,000) and Agency Fees (£40,000).

2.4 Members attention is also drawn to the following:

- **Staffing Budgets** – the budget for 2022/23 was set based on the assumption that staff would receive an annual pay award of 2.0% (plus a small contingency of 0.25%). Unfortunately – after the budget was developed and adopted – UK inflation (in common with the rest of the world) – rose sharply; the UK Consumer Prices Index (CPI) peaked at 11.1% in October 2022, which was the highest rate for 41 years. The exceptionally high inflation rate has driven increased pay demands across both the public and private sector. Local government pay negotiations for 2022/23 eventually concluded, with the employers’ final offer of £1,925 to all employees (irrespective of base salary) accepted by the unions and awarded to employees. This (broadly and typically) equated to a 5.0% pay award for the average Epping Forest District Council employee and was behind an overall cost pressure of up to £800,000 on the Council’s base budget, which is embedded in the outturn. The figures also include a range of staff savings, primarily due to temporary vacancies (dampened by agency backfilling costs in some cases). The net impact varied significantly from one service area to another. Senior officers worked together to contain overall staffing costs within budget for 2022/23, whilst simultaneously developing and delivering savings proposals – including staff savings – as part of addressing the 2023/24 budget deficit; and
- **Energy Costs** – there was an intense media spotlight on the spiralling worldwide cost of energy including the UK for much of 2022/23, although this eased towards the end of the financial year. Most of the Council’s exposure to increased energy costs falls within the HRA (a £377,000 pressure is embedded in Supervision and Management costs in table below at Paragraph 4.1). Gas and Electric budgets in the General Fund for 2022/23 total £279,720. The Council had some protection from price rises in the form of forward contracts in 2022/23, but in the end recorded an overspend of £184,140 (although a Specific Contingency budget of £62,500 dampened the impact). The most affected directorate was Housing & Property Services (£102,820).

## **Funding**

2.5 The General Fund *funding* position for 2022/23, at the Quarter 4 (Provisional Outturn) stage is summarised in the table below.

<b>GF Funding Position 2022/23 (Quarter 4)</b>			
<b>Source Description</b>	<b>Budget Assumption 2022/23</b>	<b>Provisional Outturn (31/03/23)</b>	<b>Variance</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
Council Tax	(8,639)	(8,640)	(1)
Business Rates	(5,011)	(5,353)	(342)
Collection Fund Adjs. (Council Tax)	(165)	(165)	0
Council Tax Sharing Agreement (CTSA)	(948)	(531)	417
New Homes Bonus	(776)	(776)	0
Lower-Tier Services Grant	(149)	(152)	(3)
2022/23 Services Grant	(229)	(230)	(1)
Other Grants (General)	0	(171)	(171)
Credit Loss Adjustment	(51)	73	124
Contribution to/(from) Reserves	337	(972)	(1,309)
<b>Total Funding</b>	<b>(15,631)</b>	<b>(16,917)</b>	<b>(1,286)</b>

2.6 The overall funding position was mixed for the General Fund. The Business Rates position was relatively stable throughout the year, with promising signs that the budget assumption would be exceeded, as reported in Quarter 3. The position further strengthened during Quarter 4, with additional funding from Business Rates of £342,000 eventually recorded. In contrast, Local Tax (Council Tax and Business Rates) collection did not perform as well as expected; this was responsible for the Council receiving lower income from the Essex Council Tax Sharing Agreement (CTSA) than the budget assumption, with the Quarter 4 position eventually resulting in a shortfall of £417,000. However, additional unallocated Grant funding of £171,000 was received during the financial year (£65,590 regarding New Burdens funding and £105,120 in other funding adjustments related to Covid and the Business Rates Levy), which had a positive impact on the funding position.

2.7 In addition, there was a negative variance on the assumed funding from previous Credit Loss Adjustments (CLAs). A Fair Value review of Qualis Loans in the 2021/22 Statement of Accounts initially confirmed that a credit from the General Fund Reserve would be available to support the 2022/23 budget. However, more recently, a further loan advance of £1.3 million to Qualis (as part of the 'revolving credit facility') meant that this was no longer possible and, an updated Fair Value review of Qualis Loans (as part of closing the 2022/23 Accounts) confirmed that (instead), a further (negative) CLA adjustment of £73,000 was required to the General Fund Reserve; the combined impact on funding was a negative variance of £124,000 for 2022/23.

### 3) General Fund Reserves

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

3.1 The negative outturn of £1.286 million on net expenditure summarised and explained above in paragraphs 2.1 to 2.4, and the funding position presented in paragraphs 2.5 to 2.7 above means that it has not been possible to contribute £0.337 million to the General Fund (unallocated) Reserve as assumed in setting the budget. Instead, there is a contribution requirement of £0.972 million from the Reserve to support the budget (as presented in the table in Paragraph 2.5 above). The forecast impact on the General Fund Reserve is presented in the table below.

<b>Movement on General Fund Reserve: Quarter 4 2022/23</b>	
<b>Description</b>	<b>£000's</b>
General Fund Balance 31st March 2022 (pre-audit)	(4,070)
Contribution from Reserves 2022/23	972
Other Reserve Movements (transfer from Rental Loans Reserve)	(121)
<b>General Fund Balance 31st March 2023 (Q4 provisional outturn)</b>	<b>(3,219)</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 2022.

#### **Earmarked Reserves**

3.3 In addition to the General Fund Net Expenditure budget (£15.631 million for 2022/23), 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). This year, the Council received £2.005 million and spent £1.619 million, leaving a balance of £3.086 million. The Movement on General Fund Earmarked Reserves is summarised in the table below.

<b>Movement in General Fund Earmarked Reserves (April 2022 to March 2023)</b>					
<b>Description</b>	<b>Opening Balance 01/04/22</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfers (in)/out</b>	<b>Q4 Balance 31/03/23</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
District Development Fund (DDF)	(612)	(8)	376	20	(224)
Community Projects	(597)	(353)	403	112	(435)
<i>Other Reserves:</i>					
All Weather Pitch	(119)	(18)	0	0	(137)
Garden Town	(82)	(593)	265	0	(410)
Digital Innovation Zone (DIZ)	0	(95)	77	(109)	(127)
Homelessness	0	(299)	167	(124)	(256)
Insurance	(150)	0	0	0	(150)
Invest to Save	(203)	0	0	89	(114)
Museum	(110)	0	0	0	(110)
New Burdens	0	(112)	0	0	(112)
North Weald Inland Port	(660)	(150)	193	0	(617)
Prosperity Fund	0	(83)	50	0	(33)
Staff Benefits Fund	(39)	(13)	21	0	(31)
Other Ongoing Projects	(116)	(281)	67	0	(330)
<b>Totals</b>	<b>(2,688)</b>	<b>(2,005)</b>	<b>1,619</b>	<b>(12)</b>	<b>(3,086)</b>

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



- 3.4 The Community Projects Reserve comprised 20 different project categories at year end and is easily the Council's most 'active' reserve.
- 3.5 Members will recall that the budget for 2023/34 adopted by full Council in February 2023 included embedded Savings of £4.304 million, necessary in order to achieve a balanced budget. A significant proportion of those Savings represented the removal of staff posts; in most cases, the relevant posts were vacant, so could be realised without further cost to the Council. However, some limited costs were incurred in the case of occupied posts. One-off Severance costs to the Council eventually crystallised at £260,025. Subject to Cabinet approval, it is proposed to fund these costs from available resources within the District Development Fund (DDF).
- 3.6 The opening balance on the DDF for 2022/23 was £0.612 million and, following a review of previously accumulated DDF commitments and a realignment of existing funds from the Invest to Save Reserve, a total of £0.397 million was identified as available to fund the Severance costs (£260,025) and the Council's *previous* commitment to the Hillhouse Leisure Facility (£137,000). If approval is given for the funding of £260,025 in one-off Severance costs, the remaining balance on the DDF as at 31st March 2023 is £223,615 as presented in the table below.

<b>District Development Fund (DDF) analysis: 31st March 2023</b>	
<b>Description</b>	<b>£'s</b>
Community Housing Fund	(23,330)
New Finance System/"eFinancials" Upgrade	(30,000)
New Cloud System (Planning)	(33,285)
Hillhouse Leisure Facility (EFDC contribution)	(137,000)
<b>DDF Balance 31st March 2023 (Q4 provisional outturn)</b>	<b>(223,615)</b>

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

4.1 The Housing Revenue Account (HRA) revenue position for 2022/23, at the Quarter 4 Provisional Outturn stage, is summarised in the table below. A surplus of £388,000 was recorded for the year; this contrasted with a budgeted (planned) deficit of £3,677,000, resulting in a positive variance of £4,065,000.

<b>HRA Budget 2022/23 (Quarter 4)</b>			
<b>Description</b>	<b>Budget 2022/23 (Updated)</b>	<b>Provisional Outturn (31/03/23)</b>	<b>Variance</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
<b>EXPENDITURE</b>			
Supervision & Management (General)	6,976	6304	(672)
Supervision & Management (Special)	4,111	4,120	9
Rents, Rates, Taxes & Insurances	504	525	21
Repairs & Maintenance	9,418	10,928	1,510
<b>Management &amp; Maintenance</b>	<b>21,009</b>	<b>21,877</b>	<b>868</b>
Capital Charges	8,958	10,422	1,464
Treasury Management Expenses	58	20	(38)
Provision for Bad/Doubtful Debts	93	115	22
<b>Total Expenditure</b>	<b>30,118</b>	<b>32,434</b>	<b>2,316</b>
<b>INCOME</b>			
Dwelling Rents	(34,973)	(35,294)	(321)
Non-Dwellings Rents	(843)	(764)	79
Charges for Services & Facilities	(1,228)	(1,411)	(183)
Contributions from General Fund	(368)	(407)	(39)
<b>Total Income</b>	<b>(37,412)</b>	<b>(37,876)</b>	<b>(464)</b>
<b>Net Cost of Services</b>	<b>(7,294)</b>	<b>(5,442)</b>	<b>1,852</b>
Interest on Receipts and Balances	(6)	(294)	(288)
Interest Payable on Loans	5,613	5,348	(265)
<b>Net Operating Income</b>	<b>(1,687)</b>	<b>(388)</b>	<b>1,299</b>
<i>Appropriations:</i>			
Direct Revenue Contributions to Capital	5,364	0	(5,364)
<b>(Surplus)/Deficit for Year</b>	<b>3,677</b>	<b>(388)</b>	<b>(4,065)</b>

4.2 The HRA outturn for 2021/22 included an underspend of £140,000 on the ring-fenced revenue project "More than Bricks and Mortar" (a scheme primarily aimed at achieving infrastructure improvements on housing estates). Consequently, the unspent budget was rolled forward and added to the 2022/23 budget agreed by Council in February 2022. The table below reconciles the updated and original budgets.

<b>HRA Budget Reconciliation 2022/23: Quarter 4</b>	
Description	Value (£000's)
<b>(Surplus)/Deficit for Year (approved by full Council 24/02/22)</b>	<b>3,537</b>
<i>Brought forward project budget from 2021/22:</i>	
“More than Bricks and Mortar” Estate Improvement Scheme	140
<b>Total Budget Additions (@ Quarter 4)</b>	<b>140</b>
<b>(Surplus) / Deficit for Year (updated Budget 2022/23 @ Quarter 4)</b>	<b>3,677</b>

4.3 There are seven significant factors behind the outturn as follows:

- **Direct Revenue Contributions (£5.364 million Underspend)** – the most significant factor in the overall budget surplus/underspend, was due to slippage in the HRA Capital Programme, which eliminated the need to make a Revenue Contribution to Capital in the financial year (as originally planned)
- **Repairs and Maintenance (£1.510 million Overspend)** – there are a range of factors that have contributed to the budget pressure on Repairs and Maintenance. Firstly, the budget for Responsive Repairs was overspent by £552,000, with higher than anticipated demand for repairs to communal blocks and areas combining with an unexpectedly high demand for ad hoc roofing repairs driving the overspend. Secondly, Void Repairs also overspent by £435,000 due to the need to address higher volumes of Major Voids and Other Voids falling outside the Qualis SLA for Housing Repairs. And thirdly, additional (unbudgeted) Pensions Costs of £210,000 were incurred as a consequence of the restructure in the Property Services function.
- **Capital Charges (£1.464 million Overspend)** – additional Depreciation Charges were triggered as a consequence of year-end (Balance Sheet) valuation changes. It should be noted that, although the charges are a necessary accounting requirement, they are effectively ‘reversed out’ of the HRA and replaced by a transfer (of the same amount) to the ring-fenced Major Repairs Reserve (MRR), which is subsequently available to support Capital spending or the repayment of (external) Debt.
- **Supervision & Management (General) (£0.672 million Underspend)** – there are two notable factors underlying the underspend here. Firstly, there was a delay in the commencement of the Stock Condition Survey, which has displaced the largest element of work into 2023/24, thus triggering an ‘underspend’ of £270,000 in 2022/23. And secondly, there was also a £249,000 underspend relating to the “More than Bricks and Mortar” (revenue) project (with around half of the revenue saving as a result of the installation costs of privacy panels in various housing blocks being charged to the HRA Capital Programme instead, in order to comply with the accounting requirements) (see also Section 6 below re HRA Capital Programme)
- **Dwelling Rent (£0.321 million Underspend)** – improvements in void turnaround times is led to rental income levels exceeding budget.
- **Interest Receivable on Balances (£0.288 million Underspend)** – in accordance with proper accounting practice, the HRA is credited with interest based on the estimated average HRA revenue balances held throughout the year. The sharp increase in interest rates has led to larger interest receipts than anticipated in the budget; and
- **Interest Payable on Loans (£0.265 million Underspend)** – HRA Capital spending in 2021/22 was lower than expected, thereby negating the need for additional borrowing, and reducing the associated interest payable in this – the 2022/23 – financial year.

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 2022, the balance was £4.164 million, which reflected an overspend on HRA Net Operating Income of £1.375 million in 2021/22 (reported to Cabinet and Stronger Council Select Committee in July 2022).

<b>Movement on HRA Balance: Quarter 4 2022/23</b>	
<b>Description</b>	<b>£000's</b>
HRA Balance 31st March 2022 (pre-audit)	(4,164)
2021/22 Roll Forward (Para 4.2)	140
2022/23 Budget (Deficit) – full Council 24th February 2022 (Para 4.2)	3,537
2022/23 Net Operating Income Outturn Variance Q4 (Para 4.1)	1,299
2022/23 Reduction in Capital Contributions Q4 (Para 4.1)	(5,364)
<b>HRA Balance 31st March 2023 (Q4 Outturn)</b>	<b>(4,552)</b>

## 5) General Fund Capital Programme

5.1 The General Fund Capital Programme Outturn for 2022/23 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 totalled £118.156 million. Actual spending for the year amounted to £11.949 million, leading to an underspend of £106.207 million. A large proportion of this underspend is due to slippage in schemes; approval to carry forward budget on such schemes will form part of the 2023/24 Quarter 1 monitoring report.

<b>General Fund Capital Programme provisional outturn 2022/23 (Quarter 4)</b>			
<b>Description</b>	<b>Budget 2022/23 (Updated)</b>	<b>Spending (31/03/23)</b>	<b>Variance (Under) / Over</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
Community & Wellbeing	770	0	(770)
Commercial & Technical	16,213	3,176	(13,037)
Corporate Services	3,524	514	(3,010)
Customer Services	160	12	(148)
Housing (General Fund)	564	247	(317)
Place	677	0	(677)
Qualis Loans	96,247	8,000	(88,247)
<b>Totals</b>	<b>118,156</b>	<b>11,949</b>	<b>(106,207)</b>
<i>Capital Financing:</i>			
Borrowing	113,692	9,625	(104,067)
Capital Grants	971	940	(31)
Capital Receipts	3,493	1,384	(2,109)
<b>Total Financing</b>	<b>118,156</b>	<b>11,949</b>	<b>(106,207)</b>

- 5.2 A General Fund Capital Programme budget of £72.308 million was approved by Council in February 2022. A net total of £45.848 million in unspent budgets have been rolled forward from 2021/22, resulting in an updated Programme budget of £118.156 million.
- 5.3 There are three dominant areas of underspending/slippage on the General Fund Capital Programme outturn:
- **Qualis (£88.247 million Underspend)** – as explained in Paragraph 2.2 above, 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.
  - **Commercial and Technical (£13.037 million Underspend)** – there are two big projects driving the underspend as follows:
    - **Epping Forest Leisure Centre** – the Leisure Centre is a long-term project with an original budget of £25.0 million (with spending of £10.937 million profiled for 2022/23). However, actual spend during the year amounted to £0.080 million resulting in an underspend of £10.857 million. Approval to appoint a development contractor for the Leisure Centre was granted by Cabinet on 13th March 2023, along with an increase in the budget provision of £8.1 million, resulting in an overall revised budget allocation of £33.1 million (Decision Ref. C-040-2022-23). The project is expected to commence in August 2023 and be completed by April 2025; and
    - **Cartersfield Road** – the budget allocation for this project in 2022/23 was £1.436 million; actual spending totalled £0.375 million, resulting in an underspend of £1.061 million. There has been steady progress on the project, although initial delays were experienced in arranging vacant possession from some long-term tenants; spending included demolition costs and clearance works to enhance the saleability of the site (which has continued into the new financial year) prior to transferring the site to Qualis for re-development. The scheme – as originally planned – involved the Council retaining the asset; the revised approach means that only a small proportion of the £1.061 million underspend will need to be rolled forward into 2023/24.
  - **Corporate Services (£3.010 million Underspend)** – the most significant area of capital underspending relates to the ICT Strategy, which has a budget allocation of £3.325 million for 2022/23. The actual outturn for the year was £0.484 million, leading to an underspend of £2.841 million. Some individual schemes progressed well during year (e.g., Digital Planning and Revenues & Benefits Cloud transfer). However, due to internal resource constraints, other business priorities and some deliberate alterations to plans, some projects took longer than expected to move from the initial discovery stage to works in progress and will not be completed until 2023/24. Such projects include the New Finance System; New Telephone System; a Licencing Replacement Application; rebuilding the GIS Application and upgrading the VMWare Infrastructure.
- 5.4 Members should also note the acquisition of the lease on the former Prince of Wales public house in Loughton at a cost of £687,500 (exc. legal fees) (Delegated Decision Ref. HAC-003-2022/23) during Quarter 2. The asset was purchased from the General Fund (see Appendix B) and (as indicated in the Q3 report) has now been transferred to the HRA for the purposes of Housing Development. The capital cost is matched by a debt re-allocation between the General Fund and the HRA (where budget is held), based on the agreed market value of £900,000.

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

6.1 The Housing Revenue Account (HRA) Capital Programme outturn for 2022/23 is summarised in the table below. A more detailed analysis – at a scheme level – is included in **Appendix C**. The updated Programme budget totals £52.499 million. Actual spending in the year amounted to £15.875 million, leading to an underspend of £36.624 million. A large proportion of the underspend was due to slippage in a number of schemes; a request for approval to carry forward unspent budget on such schemes will form part of the 2023/24 Quarter 1 Budget Monitoring report.

Description	Budget 2022/23 (Updated)	Spending (31/03/23)	Variance (Under) / Over
	£000's	£000's	£000's
Housing Development	28,809	5,532	(23,277)
Capital Works	16,314	8,798	(7,516)
Other Housing Schemes	7,376	1,545	(5,831)
<b>Total Expenditure</b>	<b>52,499</b>	<b>15,875</b>	<b>(36,624)</b>
<i>Capital Financing:</i>			
Direct Revenue Contributions	5,364	0	(5,364)
Major Repairs Reserve	14,613	11,300	(3,313)
Capital Receipts	5,970	3,238	(2,732)
Other Contributions	466	437	(29)
Borrowing	26,086	900	(25,186)
<b>Total Financing</b>	<b>52,499</b>	<b>15,875</b>	<b>(36,624)</b>

6.2 An HRA Capital Programme budget of £47.790 million was approved by Council in February 2022. A net total of £4.709 million in unspent budgets have been rolled forward from 2021/22, resulting in an updated Programme budget of £52.499 million for the year.

6.3 There are three significant areas of underspending/slippage on the HRA Capital Programme outturn. Thus:

- **Housing Development (£23.277 million Underspend)** – there are three elements to note:
  - **Housebuilding** – the programme for Housebuilding had a total budget of £15.598 million for 2022/23. Actual spending on the Programme was £4.633 million, resulting in an underspend of £10.965 million at the year end. Several schemes have encountered planning issues and delays, including two schemes (“Pentlow” and “Woollard”), which were originally expected to be completed in Spring and Summer 2022, but completion is now anticipated in 2023/24. A further two large Passivhaus schemes – at Chequers B (which has received planning permission) and Ladyfields (which still remains in planning) – with combined anticipated spend of over £8.0 million, are expected to start on site in 2023/24

- Qualis Acquisitions – the budget allocation for this scheme in 2022/23 was £10.461 million. No spend has taken place during the year resulting in an underspend of the full budget. Qualis experienced initial delays in planning consents which initially halted works; then sharp increases in industry-wide costs challenged the viability of some of the schemes. Although permissions have now been granted, there are still some viability concerns, so works are now not anticipated to commence until 2023/24 at the earliest; and
- Acquisition of Land for Building – the budget allocation in 2022/23 was £2.750 million; actual spending was £0.90 million resulting in an underspend of £1.850 million. Spending in the year related exclusively to the purchase of the Princess of Wales pub in Loughton (an asset owned by the General Fund) for a proposed new housing development site (Paragraph 5.4 refers).
- **Capital Works (£7.516 million Underspend)** – there have been delays this year in the delivery of Capital Works following the restructure of the Property Assets Team and the introduction of new working practices. There are four significant underspends as follows:
  - Kitchens and Bathrooms – the budget allocation in 2022/23 was £2.866 million; actual spending was £0.876 million, resulting in an underspend of £1.990 million. Delays in contract mobilisation by Qualis due to necessary Survey Works, affected the commencement of the programmed works for both Kitchens and Bathrooms. During the year, 85 Kitchens were completed compared to the 262 planned; of which, almost half were replaced during void periods. Similarly for Bathrooms, 108 were completed out of the 348 planned although fewer were completed during void periods. Planned Kitchens and Bathrooms not completed during the year have been rolled forward and added to the 2023/24 programme.
  - Net Zero Carbon Works – the budget allocation for 2022/23 was £1.50 million and no spending has taken place during the year. A match funding bid has successfully been made to the Social Housing De-Carbonisation Fund in partnership with E-On and the works are due to commence in early 2023/24
  - Structural Works – the budget allocation in 2022/23 was £1.985 million; actual spending was £0.536 million, resulting in an underspend of £1.449 million. Expenditure on Structural Works can be difficult to predict due to their reactive and diverse nature, and the technical expertise required to complete them. However, at the time of reporting, there are a number of sites where work is imminent, including three major works sites at Hornbeam Close (Hillyfields), Roundhills and Springfields, so substantial expenditure is anticipated in 2023/24; and
  - Windows, Doors, and Roofing - the budget allocation for 2022/23 was £3.435 million; actual spending was £2.210 million, resulting in an underspend of £1.225 million. The majority of the underspend relates to Roofing works; both flat roofs and tiled roofs where programmed (planned) works were reduced and limited to emergency referrals only.
- **Other Housing Schemes (£5.831 million Underspend)** – there are two regeneration projects primarily driving this variance:
  - Broadway Regeneration – this project had a total budget of £2.750 million in 2022/23. Actual spending was £0.220 million resulting in an underspend of £2.728 million. A detailed review of the project has been undertaken and a report presented to Cabinet on 13th March 2023 (C-044-2022/23), which led to the approval of an increase in the overall project budget to £6.0 million. Consultation with residents and leaseholders will commence in 2023/24, followed by any necessary planning consents. The project is expected to complete by 2025/26; and

- Limes/Copperfield Regeneration – this project had a profiled budget allocation of £2.772 million for 2022/23. Actual spending on the scheme in 2022/23 was £0.791 million, leading to an underspend of £1.981 million. Following some initial setbacks, the scheme began mobilisation in January 2023 and has an anticipated programme duration of 50 weeks to completion. As the project straddles the financial year-end, the £1.981 million underspend will be re-profiled to be spent in 2023/24.

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 underspend on the Programme has an impact on all sources of financing with the most significant being a £26.086 million reduction in the need to borrow in 2022/23.

### **Reason for Decision:**

This report facilitates the scrutiny of the Council's financial position for 2022/23.

The comments made at this Committee, where relevant, will be reported to Cabinet for consideration at their meeting on 21st August 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 2022/23 budget was informed by the democratic scrutiny processes.

### **Background Papers:**

Management Accounts 2022/23 (Month 12)

### **Risk Management**

The report is primarily presented for information only and has no direct risk management implications, although regular monitoring and reporting of the type 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 2022/23

## Quarter 4 (Provisional Outturn)

Epping Forest DC: General Fund Revenue Budget 2022/23						
@ 31 March 2023 (Month 12)						
<b>General Fund</b>						
Service Area	Activity	Full Year Budget	Q4 Draft Outturn (M12) Unadjusted	Reserve Movements	Q4 Draft Outturn (M12) Adjusted	Variance
		£'s	£'s	£'s	£'s	£'s
<b>Chief Executive</b>	Chief Executive Support Services	532,530	594,630	-	594,630	62,100
	Corporate Activities	75,820	62,649	-	62,649	(13,171)
	Chief Executive Other Activities	50,000	1,959	-	1,959	(48,041)
	<b>Sub-Total</b>	<b>658,350</b>	<b>659,238</b>	<b>-</b>	<b>659,238</b>	<b>888</b>
<b>Commercial &amp; Technical Services</b>	Car Parking	(894,030)	(655,821)	(80,000)	(735,821)	158,209
	C&T Community & Partnership	232,330	188,910	-	188,910	(43,420)
	Contracts & Technical Support Services	1,810,440	1,584,360	-	1,584,360	(226,080)
	Cost Centres - Contracts & Technical	3,325,580	3,239,289	(4,158)	3,235,131	(90,449)
	C&T Emergency Planning & Other	2,500	1,072	-	1,072	(1,428)
	Environmental Health	232,250	318,827	-	318,827	86,577
	Land Drainage/Sewerage	129,830	94,901	-	94,901	(34,929)
	Land & Property	(7,688,610)	(7,694,529)	-	(7,694,529)	(5,919)
	Leisure Facilities	(1,215,530)	(708,089)	-	(708,089)	507,441
	North Weald Centre	(1,152,230)	(1,304,663)	(42,903)	(1,347,566)	(195,336)
	Parks & Grounds	471,920	545,699	(23,526)	522,173	50,253
	Private Sector Housing	(96,790)	(70,547)	-	(70,547)	26,243
	C&T Regulatory Services	(255,480)	(208,772)	-	(208,772)	46,708
	Waste Management	5,236,990	4,695,105	-	4,695,105	(541,885)
	<b>Sub-Total</b>	<b>139,170</b>	<b>25,741</b>	<b>(150,587)</b>	<b>(124,846)</b>	<b>(264,016)</b>
<b>Community &amp; Wellbeing</b>	Community, Health & Wellbeing	120,340	103,689	(50,179)	53,510	(66,830)
	Cost Centres - Community & Wellbeing	457,670	458,726	(2,673)	456,053	(1,617)
	Economic Projects Support Serv	198,290	144,736	-	144,736	(53,554)
	Homelessness	73,000	84,778	(125,338)	(40,559)	(113,559)
	Museum, Heritage & Culture	682,640	588,904	4,602	593,506	(89,134)
	Voluntary Sector Support	250,740	247,126	-	247,126	(3,614)
	<b>Sub-Total</b>	<b>1,782,680</b>	<b>1,627,959</b>	<b>(173,587)</b>	<b>1,454,371</b>	<b>(328,309)</b>
<b>Corporate Services</b>	Business Support	1,925,860	1,879,628	(37,177)	1,842,451	(83,409)
	Cost Centres - Corporate Support	335,600	318,596	-	318,596	(17,004)
	Elections	222,460	190,762	21,609	212,371	(10,089)
	Emergency Planning & Other	115,840	75,670	-	75,670	(40,170)
	ICT	3,810,130	3,444,941	(17,708)	3,427,232	(382,898)
	Insurance Premiums	810,060	572,648	-	572,648	(237,412)
	Corp Serv - Member Activities	381,760	357,176	-	357,176	(24,584)
	Other Support Services	1,866,960	1,675,682	(46,928)	1,628,755	(238,205)
	Strategy Support Services	294,150	319,870	(13,878)	305,991	11,841
	<b>Sub-Total</b>	<b>9,762,820</b>	<b>8,834,973</b>	<b>(94,082)</b>	<b>8,740,891</b>	<b>(1,021,929)</b>
<b>Customer Services</b>	Cost Centres - Customer Services	2,472,370	2,593,741	(39,927)	2,553,815	81,445
	Customer Support Services	1,621,990	1,640,280	-	1,640,280	18,290
	Housing Benefits	(1,172,620)	(590,836)	-	(590,836)	581,784
	Local Taxation	(693,360)	(768,774)	112,108	(656,666)	36,694
	Customer Services - Members Activities	26,470	85,575	-	85,575	59,105
	<b>Sub-Total</b>	<b>2,254,850</b>	<b>2,959,987</b>	<b>72,181</b>	<b>3,032,168</b>	<b>777,318</b>
<b>Finance &amp; Audit</b>	Audit Support Services	384,470	452,671	(31,794)	420,877	36,407
	Finance Support Services	1,063,390	1,364,510	-	1,364,510	301,120
	Finance & Other Activities	963,630	1,189,272	-	1,189,272	225,642
	<b>Sub-Total</b>	<b>2,411,490</b>	<b>3,006,452</b>	<b>(31,794)</b>	<b>2,974,659</b>	<b>563,169</b>
<b>Housing &amp; Property</b>	Accommodation	457,940	386,720	-	386,720	(71,220)
	Cost Centres - Housing & Property	510,440	490,330	-	490,330	(20,110)
	Facilities & Depot Management	528,200	402,424	-	402,424	(125,776)
	Housing & Property Support Services	352,110	261,470	-	261,470	(90,640)
	<b>Sub-Total</b>	<b>1,848,690</b>	<b>1,540,944</b>	<b>-</b>	<b>1,540,944</b>	<b>(307,746)</b>
<b>Place</b>	Place - Community & Partnership	40,920	4,956	50,792	55,748	14,828
	Cost Centres - Place	334,020	241,520	-	241,520	(92,500)
	<b>Sub-Total</b>	<b>374,940</b>	<b>246,476</b>	<b>50,792</b>	<b>297,268</b>	<b>(77,671)</b>
<b>Planning &amp; Development</b>	Cost Centres - Planning Services	2,324,800	2,344,440	(77,967)	2,266,472	(58,328)
	Local Plan Implementation	1,048,700	326,135	544,300	870,435	(178,265)
	Planning & Development	(1,655,730)	(875,269)	(10,410)	(885,679)	770,051
	Planning Support Services	291,970	225,689	-	225,689	(66,281)
	Regulatory Services	(529,840)	(385,432)	(115,000)	(500,432)	29,408
	<b>Sub-Total</b>	<b>1,479,900</b>	<b>1,635,563</b>	<b>340,922</b>	<b>1,976,486</b>	<b>496,586</b>
<b>Strategy, Delivery &amp; Performance</b>	Strategy - Other Activities	161,600	124,499	-	124,499	(37,101)
	Strategy, Delivery & Performance Support Services	688,040	475,529	(11)	475,518	(212,522)
	<b>Sub-Total</b>	<b>849,640</b>	<b>600,028</b>	<b>(11)</b>	<b>600,017</b>	<b>(249,623)</b>
<b>General Fund Total</b>		<b>21,562,530</b>	<b>21,137,362</b>	<b>13,835</b>	<b>21,151,197</b>	<b>-411,333</b>
	<b>Qualis Income</b>	(2,909,440)	(1,774,896)	-	(1,774,896)	1,134,544
	<b>HRA Recharges</b>	(5,224,670)	(5,116,557)	-	(5,116,557)	108,113
	<b>Financing</b>					
	<i>Interest (exc. Qualis):</i>					
	Interest Receivable	(50,000)	(384,130)	-	(384,130)	(334,130)
	Interest Payable	863,440	1,916,474	-	1,916,474	1,053,034
	Minimum Revenue Provision	1,327,000	1,125,000	-	1,125,000	(202,000)
	Specific Contingency (GF Energy)	62,500	-	-	-	(62,500)
<b>General Fund (Net Expenditure)</b>		<b>15,631,360</b>	<b>16,903,253</b>	<b>13,835</b>	<b>16,917,089</b>	<b>1,285,729</b>

## General Fund Capital Programme 2022/23

## Quarter 4 (Provisional Outturn)

General Fund Capital Programme 2022/23: Provisional Outturn								
Scheme	2021/22 Budget Outturn (xtract)			2022/23 Budget			2022/23 General Fund Capital Outturn (@ 31st March 2023: Q4)	
	2021/22 Unspent / (Overspend) Balances	(Savings) / Overspends not c/fwd	Balances Rolled Forward into 2022/23	2022/23 Budget Allocation	Q1-Q4 Changes	2022/23 Budget (Updated)	Actual Spending 2022/23	Variance (Uspend)/ Ospend 2022/23
	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s
<b>Community &amp; Wellbeing</b>								
Joint Museum and Library Facility	688,018	(688,018)	-	770,000	-	770,000	-	(770,000)
<b>Sub-Totals</b>	<b>688,018</b>	<b>(688,018)</b>	<b>-</b>	<b>770,000</b>	<b>-</b>	<b>770,000</b>	<b>-</b>	<b>(770,000)</b>
<b>Commercial &amp; Technical</b>								
Cartersfield Road	1,436,464	-	1,436,464	-	-	1,436,464	375,485	(1,060,979)
Investment Property Acquisition Fund	1,117,867	-	1,117,867	-	-	1,117,867	521,370	(596,497)
Princess of Wales PH - lease acquisition**	-	-	-	-	-	-	695,489	695,489
CCTV Replacement Programme	85,437	(44,992)	40,445	102,000	-	142,445	73,073	(69,372)
CarPark CCTV Systems	(10,259)	10,259	-	20,000	-	20,000	6,920	(13,080)
Superfast Broadband (REFCuS)	350,000	-	350,000	-	-	350,000	-	(350,000)
Disabled Facilities Grants (REFCuS)	218,152	(218,152)	-	971,210	-	971,210	939,960	(31,250)
Home Assist Grants (REFCuS)	-	-	-	30,000	-	30,000	9,520	(20,480)
Car Park Schemes	(18,785)	18,785	-	-	-	-	-	-
Civic Offices Accommodation Project	(108,169)	108,169	-	-	-	-	-	-
Civic Offices Café External Access	75,979	-	75,979	100,000	-	175,979	-	(175,979)
Highway Ranger Vehicle & Equipment	519	(519)	-	40,000	-	40,000	-	(40,000)
Grounds Maintenance	40,945	-	40,945	30,000	-	70,945	32,650	(38,295)
Highways (REFCuS)	97,564	-	97,564	-	-	97,564	-	(97,564)
H2 Taxiway (ex NWA Prep Phase 1)	200,000	-	200,000	-	-	200,000	43,889	(156,112)
NWA Vehicles & Equipment	-	-	-	-	-	-	18,855	18,855
Vehicle Fleet Replacement & OHD Equipment	622,740	-	622,740	-	-	622,740	377,725	(245,015)
Ongar Leisure Centre	(4,953)	4,953	-	-	-	-	-	-
Epping Leisure Centre (Bakers Lane)	(1,562,560)	-	(1,562,560)	12,500,000	-	10,937,440	80,370	(10,857,070)
<b>Sub-Totals</b>	<b>2,540,941</b>	<b>(121,497)</b>	<b>2,419,444</b>	<b>13,793,210</b>	<b>-</b>	<b>16,212,654</b>	<b>3,175,304</b>	<b>(13,037,350)</b>
<b>Corporate Services</b>								
ICT General Schemes	142,379	(54,608)	87,771	103,000	-	190,771	20,288	(170,483)
ICT Strategy	1,715,452	(145,487)	1,569,965	1,960,910	(205,600)	3,325,275	484,083	(2,841,192)
Civic Offices Accommodation Project (ICT)	63,830	(55,288)	8,542	-	-	8,542	9,883	1,341
<b>Sub-Totals</b>	<b>1,921,661</b>	<b>(255,383)</b>	<b>1,666,278</b>	<b>2,063,910</b>	<b>(205,600)</b>	<b>3,524,588</b>	<b>514,253</b>	<b>(3,010,335)</b>
<b>Customer Services</b>								
Council Chamber Upgrade	-	-	-	160,000	-	160,000	12,351	(147,649)
<b>Sub-Totals</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>160,000</b>	<b>-</b>	<b>160,000</b>	<b>12,351</b>	<b>(147,649)</b>
<b>Housing (Property Services)</b>								
Oakwood Hill Depot Extension	6,572	-	6,572	-	-	6,572	24,727	18,155
Investment Properties (Planned Works)	(80,316)	80,316	-	19,220	83,657	102,877	56,689	(46,188)
202-220 Loughton HR (Roof and H & S works)	-	-	-	-	141,490	141,490	147,831	6,341
Operational Properties (Planned Works)	93,230	(12,250)	80,980	252,000	(19,547)	313,433	17,701	(295,732)
<b>Sub-Totals</b>	<b>19,486</b>	<b>68,066</b>	<b>87,552</b>	<b>271,220</b>	<b>205,600</b>	<b>564,372</b>	<b>246,949</b>	<b>(317,423)</b>
<b>Place</b>								
Climate & Environmental Projects	426,984	-	426,984	250,000	-	676,984	-	(676,984)
<b>Sub-Totals</b>	<b>426,984</b>	<b>-</b>	<b>426,984</b>	<b>250,000</b>	<b>-</b>	<b>676,984</b>	<b>-</b>	<b>(676,984)</b>
<b>Qualis</b>								
Regeneration Finance Loans	41,247,500	-	41,247,500	55,000,000	-	96,247,500	8,000,000	(88,247,500)
<b>Sub-Totals</b>	<b>41,247,500</b>	<b>-</b>	<b>41,247,500</b>	<b>55,000,000</b>	<b>-</b>	<b>96,247,500</b>	<b>8,000,000</b>	<b>(88,247,500)</b>
<b>Total Expenditure</b>	<b>46,844,590</b>	<b>(996,832)</b>	<b>45,847,758</b>	<b>72,308,340</b>	<b>-</b>	<b>118,156,098</b>	<b>11,948,857</b>	<b>(106,207,241)</b>
** transferred to the HRA for development at year end (via debt transfer from GF to HRA)								
<b>Capital Financing:</b>								
Borrowing	46,626,438	(778,680)	45,847,758	67,844,380	-	113,692,138	9,625,279	(104,066,859)
Capital Grants	218,152	(218,152)	-	971,210	-	971,210	939,960	(31,250)
Capital Receipts	-	-	-	3,492,750	-	3,492,750	1,383,617	(2,109,133)
<b>Total Financing</b>	<b>46,844,590</b>	<b>(996,832)</b>	<b>45,847,758</b>	<b>72,308,340</b>	<b>-</b>	<b>118,156,098</b>	<b>11,948,857</b>	<b>(106,207,241)</b>

## Housing Revenue Account Capital Programme 2022/23

## Quarter 4 (Provisional Outturn)

HRA Capital Programme 2022/23: Provisional Outturn									
	2021/22 Budget Outturn (xtract)			2022/23 Budget				Outturn (@ 31 March 2023:Q4)	
	2021/22 Unspent/ (Overspent) Balances	Savings	Balances Rolled Forward into 2022/23	2022/23 Budget Allocation	B/Fwd (2021/22 to 2022/23)	Q1 - Q4 Changes	2022/23 Budget (Updated)	Actual Spending 2022/23	Variance (Uspend) / Ospend 2022/23
Schemes	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s
<b>Housing Development Programme:</b>									
Housebuilding	8,335,830	8,335,830	-	15,597,810	-	-	15,597,810	4,632,548	(10,965,262)
Acquisition of Land for Building	-	-	-	2,750,000	-	-	2,750,000	900,000	(1,850,000)
Acquisition of Street Properties	(2,968,310)	(2,968,310)	-	-	-	-	-	-	-
Qualis Acquisitions	7,492,000	7,492,000	-	10,461,190	-	-	10,461,190	-	(10,461,190)
<b>Sub-Totals</b>	<b>12,859,520</b>	<b>12,859,520</b>	<b>-</b>	<b>28,809,000</b>	<b>-</b>	<b>-</b>	<b>28,809,000</b>	<b>5,532,548</b>	<b>(23,276,452)</b>
<b>Capital Works:</b>									
Net Zero Carbon Works	100,000	-	100,000	500,000	100,000	900,000	1,500,000	-	(1,500,000)
Heating	691,840	-	691,840	1,556,000	691,838	-	2,247,840	1,854,008	(393,832)
Windows, Door and Roofing	848,550	-	848,550	2,886,000	848,553	(300,000)	3,434,550	2,210,037	(1,224,513)
Compliance Planned Maintenance	439,160	-	439,160	250,000	439,163	-	689,160	416,362	(272,798)
Kitchens & Bathrooms (inc void allocation)	566,420	-	566,420	2,300,000	566,417	-	2,866,420	875,837	(1,990,583)
Electrical	101,390	(18,380)	119,770	1,711,000	119,768	-	1,830,770	1,604,337	(226,433)
Sprinklers	275,000	275,000	-	-	-	-	-	-	-
Environmental	306,280	150,940	155,340	275,000	155,339	-	430,340	163,364	(266,976)
Structural works	1,636,520	-	1,636,520	949,000	1,636,523	(600,000)	1,985,520	536,350	(1,449,170)
Disabled adaptations	(114,620)	-	(114,620)	1,145,000	(114,616)	-	1,030,380	1,051,132	20,752
Asbestos Removal	219,190	100,000	119,190	130,000	119,189	-	249,190	82,555	(166,635)
Estate Improvements	56,110	56,110	-	50,000	0	-	50,000	4,126	(45,874)
<b>Sub-Totals</b>	<b>5,125,840</b>	<b>563,670</b>	<b>4,562,170</b>	<b>11,752,000</b>	<b>4,562,173</b>	<b>-</b>	<b>16,314,170</b>	<b>8,798,107</b>	<b>(7,516,063)</b>
<b>Other Housing Schemes:</b>									
Service Enhancements									
HAM Project	251,730	-	251,730	400,000	251,726	-	651,730	463,225	(188,505)
HFFH Act Project	24,210	-	24,210	154,000	24,206	-	178,210	209,833	31,623
Limes/Copperfield Regen Project	(228,510)	-	(228,510)	3,000,000	228,514	-	2,771,490	790,984	(1,980,506)
The Broadway Regen Project	-	-	-	2,750,000	-	-	2,750,000	21,928	(2,728,072)
Frank Bretton Refurb	(115,720)	(115,720)	-	-	-	-	-	-	-
Emergency Alarm System Upgrade	-	-	-	360,000	-	-	360,000	-	(360,000)
Sheltered Blocks Refurbishment	-	-	-	330,000	-	-	330,000	-	(330,000)
Front Door Replacemnt Prog- L/Hold	99,000	-	99,000	235,000	99,000	-	334,000	22,329	(311,671)
<b>Sub-Totals</b>	<b>30,710</b>	<b>(115,720)</b>	<b>146,430</b>	<b>7,229,000</b>	<b>146,418</b>	<b>-</b>	<b>7,375,430</b>	<b>1,508,299</b>	<b>(5,867,131)</b>
<b>Vehicle Replacements</b>	<b>(80,070)</b>	<b>(80,070)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36,275</b>	<b>36,275</b>
<b>Total Expenditure</b>	<b>17,936,000</b>	<b>13,227,410</b>	<b>4,708,590</b>	<b>47,790,000</b>	<b>4,708,591</b>	<b>-</b>	<b>52,498,590</b>	<b>15,875,229</b>	<b>(36,623,371)</b>
<b>Capital Financing</b>									
Direct Revenue Contributions	-	-	-	5,364,000	-	-	5,364,000	-	(5,364,000)
Major Repairs Reserve	4,708,590	-	4,708,590	9,904,000	4,708,591	-	14,612,590	11,300,361	(3,312,229)
RTB Receipts (1-4-1)	-	-	-	5,970,000	-	-	5,970,000	3,237,756	(2,732,244)
Capital Grants	-	-	-	-	-	-	-	187,195	187,195
Other Contributions	-	-	-	466,000	-	-	466,000	249,916	(216,084)
Borrowing	13,227,410	13,227,410	-	26,086,000	-	-	26,086,000	900,000	(25,186,000)
	<b>17,936,000</b>	<b>13,227,410</b>	<b>4,708,590</b>	<b>47,790,000</b>	<b>4,708,591</b>	<b>-</b>	<b>52,498,590</b>	<b>15,875,229</b>	<b>(36,623,371)</b>