

Report to Overview & Scrutiny Committee

Date of meeting: 30th July 2024



Subject: Quarter 1 Budget Monitoring Report 2024/25

Portfolio Holder: Finance & Economic Development – Cllr. Holly Whitbread

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Recommendations/Decisions Required:

- 1. The General Fund revenue position at the end of Quarter 1 (30th June 2024) for 2024/25, 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 2024) for 2024/25 be noted (*including Appendix B*).**
- 3. The Housing Revenue Account revenue position at the end of Quarter 1 (30th June 2024) for 2024/25, 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 2024) for 2024/25 be noted (*including Appendix C*); and**
- 5. The wider position on Financial Performance and Risk at the end of Quarter 1 (30th June 2024), including the amended Prudential Indicator (“Proportion of Financing Costs to Net Revenue Stream”) explained in Paragraph 7.3.14, be noted.**

Executive Summary:

This report sets out the 2024/25 General Fund and Housing Revenue Account budget positions, for both revenue and capital, as at 30th June 2024 (“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 (Q1) stage – a budget underspend of £0.225 million, with projected net expenditure of £15.646 million against an overall budget provision of £15.871 million, is forecast.

As presented in Paragraph 2.2, the most significant budget pressure at the Quarter 1 stage is an anticipated shortfall in income from Planning Applications (forecast impact £0.321 million); this has been a continued source of financial pressure in recent years, although the scale of the problem this year is reduced following the Council decision to reduce anticipated income from Planning Applications by £600,000 in 2024/25 in the budget adopted in February 2024.

However, the budget pressures are being outweighed by a range of anticipated underspends, which are described in Paragraph 2.3. This includes underspends at a directorate level in ICT & Transformation and Customer & Communities (£0.287 million and £0.143 million respectively) as well as an anticipated surplus on Net Financing Costs of £0.236 million.

The funding position on the General Fund in Quarter 1, presented in Paragraph 2.6, is close to budget at this stage.

Members attention is also drawn to the General Fund Reserve forecast in Paragraph 3.4. An *unadjusted* balance of £6.116 million is anticipated, reflecting the combined impact of the Quarter 1 forecast underspend and funding position. This would allow the transfer of £2.116 million at year end to Earmarked Reserves, in order to support Council priorities, whilst maintaining a £4.0 million contingency balance in accordance with adopted policy.

The Housing Revenue Account – presented in Section 4 – is also forecast to record a small underspend (of £0.022 million) at the Quarter 1 stage, with a notable budget pressure on Repairs and Maintenance, being outweighed by a notable underspend on Interest Payable on Loans and additional income from Dwelling Rents.

If the overall HRA forecast materialises, the HRA Balance will end the year at £4.014 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 £6.696 million, with a forecast outturn of £52.923 million, which – if this materialises – would lead to an underspend of £1.439 million. The drawdown on Qualis loans is lower than the budget and is the most significant variance (£1.250 million); and
- *Housing Revenue Account Capital Programme* – spending in the first 3 months was £5.141 million, with a forecast outturn of £52.529 million, which – if this materialises – would lead to an underspend of £3.524 million. Slippage on Housing Development is the biggest factor.

And finally, wider Financial Performance and Risk. The Quarter 1 position is generally positive, with improved performance in the Payment of Invoices holding up, and a solid start to the year reflected in the collection of both Council Tax and Business Rates. As previously reported to the Committee, the Collection of Sundry Debts remains a challenge, but the prioritisation of resources and focus in this area is beginning to bear fruit as evidenced in the position of both relevant performance indicators (and especially the Average Age of Outstanding Sundry Debt) as at 30th June 2024. Compliance with Prudential and Local Indicators is not giving any cause for concern.

Reason for Decision:

The report enables the Cabinet to monitor and control the Council's financial position for 2024/25 and take whatever action it chooses, based on the information presented.

1) Background and Introduction

- 1.1 The Council's budget for 2024/25 (both General Fund and Housing Revenue Account) was approved by full Council on 20th February 2024. 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 2024/25 and includes the General Fund and Housing Revenue Account positions, for both revenue and capital, as at 30th June 2024 ("Quarter 1").

2) General Fund Revenue Budget

Net Expenditure

- 2.1 The General Fund **net expenditure** position for 2024/25, at the Quarter 1 stage – summarised by service area – is presented in **Appendix A**. The headline is a forecast budget underspend of £0.225 million, with projected net expenditure of £15.646 million against an overall budget provision of £15.871 million. The table below summarises the position by service.

GF Net Expenditure Budget 2024/25 (Quarter 1)			
Description	Budget 2024/25	Q1 Forecast Spending (30/06/24)	Variance
	£000's	£000's	£000's
Audit	312	313	1
Chief Executive	628	623	(5)
Contracts, Partnerships & Procurement	260	248	(12)
Corporate Services	4,693	4,678	(15)
Customer & Communities	2,403	2,260	(143)
Finance	2,972	2,937	(35)
Housing & Property	1,877	1,886	9
ICT & Transformation	4,517	4,230	(287)
Planning & Development	1,107	1,488	381
Regulatory Services	3,386	3,308	(78)
Strategic Projects	848	868	20
Qualis	(2,953)	(2,772)	181
HRA Recharges	(4,542)	(4,549)	(7)
Financing	363	128	(235)
Totals (Net Expenditure)	15,871	15,646	(225)

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

- **Planning & Development (£381,461 forecast Overspend)** – there is an emerging risk of another income shortfall on Planning Applications, which is the dominant factor behind the budget pressure in the Planning & Development directorate. The Planning Applications income budget was reduced by £600,000 in setting the 2024/25 budget, and statutory Planning Fees also significantly increased with effect from 6th December 2023 (by 25% for Minor Planning Applications and 35% for Major Planning Applications respectively); despite these mitigating actions/factors, there is still a forecast shortfall of £321,081 at the Quarter 1 stage (21.3% of the total budget of £1,507,880), with apparent market uncertainty around the cost of borrowing such that the anticipated larger fee-earning applications are only slowly emerging. One of these – Latton Priory – will have a considerable fee attached to its submission, but has not yet materialised, although it is anticipated in August 2024; and
- **Qualis Income (£180,809 forecast Overspend)** – the drawdown of Qualis loans gathered pace in 2023 and this has generally continued in Quarter 1 of 2024/25, albeit slightly less so than assumed in the budget. Although, on-lending margins are lower than originally envisaged within the original Loan Agreements, due to higher interest rates on Council borrowing, margins have now stabilised and improved on the most recent advances with Qualis now paying a higher rate of 6.5%.

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

- **ICT & Transformation (£287,086 forecast Underspend)** – there are a range of variances on individual ICT cost centres, which is driving an anticipated net underspend of £211,119; this is the dominant factor in an overall forecast underspend of £287,086. The most notable individual variances relate to Mimecast and Northgate M3 PP/Assure PP. Firstly, the Mimecast license is not being renewed with effect from September 2024 (impact £48,000). And secondly, additional budget provision for the Northgate M3 PP/Assure PP system included in 2024/25 is now expected to be required in 2025/26 due to implementation delays with the self-serve module.
- **Financing (£235,399 forecast Underspend)** – “Minimum Revenue Provision” (MRP) costs are forecast to be £109,000 (8.3%) due to ‘late slippage’ in the 2023/24 (General Fund) Capital Programme. Members are reminded that annual budgets are prepared on the basis of Quarter 3 projections produced in the preceding financial year (the Council policy is to charge MRP in full, following the year of acquisition). The forecast MRP saving in 2024/25 is added to by an estimated net increase in interest receivable of £126,399 (with interest rates holding up marginally better than assumed in preparing the original budget); and
- **Customer & Communities (£142,952 forecast Underspend)** – the anticipated underspend in this directorate is predominantly the product of a technical review of remaining salary budgets in the Community and Wellbeing service (following the recent TUPE transfer of staff into the Epping Forest District Museum Trust); the review identified over-provision of £178,400, which can be removed from the budget in 2025/26.

2.4 The Pay Award for 2024/25 has not been settled at the time of preparing this (Quarter 1) report. The forecast outturn therefore currently assumes that a Pay Award of 3.0% will eventually crystallise (which is the original budget assumption). However, the recent National Employers’ pay offer for 2024/25 (a complex hybrid offer - predominantly comprising a fixed award of £1,290 to most employees) has not been accepted by all recognised unions and the eventual outcome appears very uncertain. The National Employers’ offer, if implemented, could increase the Council’s pay bill by marginally more than 3.0%. The position is being kept under continuous review by senior management, and future budget forecasts will be re-considered as further intelligence emerges.

Funding

2.5 The General Fund **funding** position for 2024/25, at the Quarter 1 stage is summarised in the table below.

GF Funding Position 2024/25 (Quarter 1)			
Source Description	Budget Assumption 2024/25	Q1 Forecast (30/06/24)	Variance
	£000's	£000's	£000's
Council Tax	(9,288)	(9,288)	0
Business Rates	(6,359)	(6,283)	76
Collection Fund Adjustments	(215)	(215)	0
Council Tax Sharing Agreement (CTSA)	(435)	(435)	0
Revenue Support Grant	(137)	(137)	0
New Homes Bonus	(6)	(6)	0
Funding Guarantee Allocation (FGA)	(1,385)	(1,375)	10
Other Grants (Non-Specific)	0	(23)	(23)
Contribution to/(from) Reserves	1,954	2,116	162
Total Funding	(15,871)	(15,646)	225

2.6 The funding position on the General Fund in Quarter 1 is generally close to budget at this stage. There is a small reduction in anticipated funding from the Business Rates Retention (BRR) system based on outputs from the "Academy" (Revenues) system as of 28th June 2024, which resulted in a Pre-Levy Income forecast 1.2% below budget. CTSA payments from the preceptors are assumed on course at this stage, which is consistent with a positive start to the financial year for Council Tax collection (reflected in Paragraph 7.2.8 below). See Paragraph 3.1 below for a discussion on the forecast Contribution of £2.116 million to Reserves.

3) General Fund Reserves

General Fund Reserve (contingency balance)

- 3.1 The positive outlook of £0.225 million on net expenditure summarised and explained in paragraphs 2.1 to 2.4, and the funding position presented in paragraphs 2.5 to 2.6 above means that – if the forecasts materialise as presented – the Council will be able to contribute £2.116 million to Reserves, which is £0.162 million more than the budget assumption.
- 3.2 Members are reminded of the Council's commitment in adopting the original budget in February 2024, and specifically the commitment to create a Transformation Revenue Reserve (TRR) with a target balance of £3.0 million. In the event that the £2.116 million contribution crystallises at year end, this would be transferred into the TRR; the TRR had a balance of £0.808 million as of 31st March 2024, primarily due to the 2023/24 budget surplus (approved by Cabinet 28th May 2024).
- 3.3 Members should further note the Cabinet decision of 15th July 2024 (Ref. C-011-2024-25), to ring-fence £1.020 million of the TRR to create a "Regeneration and Place Investment Reserve" to enable the progression of the development proposals for Centric Parade and Brooker Road.
- 3.4 The forecast impact on the General Fund Reserve at the Quarter 1 stage is presented in the table below.

Movement on General Fund Reserve: Quarter 1 2024/25	
Description	£000's
General Fund Balance 31st March 2024 (pre-audit)	(4,000)
Contribution from/(to) Reserves 2024/25 (Q1 forecast)	(2,116)
General Fund Balance 31st March 2025 (Q1 forecast) – unadjusted	(6,116)

- 3.5 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 2024.

Earmarked Reserves

- 3.6 In addition to the General Fund Net Expenditure budget (£15,871,440 for 2024/25), 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 2024) – the Council has received £0.944 million and spent £0.286 million, leaving a balance of £5.336 million. The Movement on General Fund Earmarked Reserves is summarised in the table below.

Movement in General Fund Earmarked Reserves (April to June 2024)					
Description	Opening Balance Sheet 01/04/24	Income	Expenditure	Transfers (in)/out	Q1 Balance 30/06/24
	£000's	£000's	£000's	£000's	£000's
Capital Investment Risk Reserve	(1,000)	0	0	0	(1,000)
Transformation Revenue Reserve ("Fit for the Future")	(808)	0	0	0	(808)
<i>Ring-Fenced:</i>					
Building Control	0	0	0	0	0
Section 106 (Revenue)	(30)	0	15	0	(15)
<i>Other Reserves:</i>					
All Weather Pitch	(151)	0	0	0	(151)
Community Projects	(404)	(329)	93	0	(640)
Dig. Innovation Zone (DIZ)	(132)	(70)	22	0	(180)
District Development Fund (DDF)	(215)	0	8	0	(207)
Garden Town	(406)	0	15	0	(391)
Homelessness	(515)	(42)	58	0	(499)
Insurance	(150)	0	0	0	(150)
Invest to Save	(114)	0	0	0	(114)
Museum	(110)	0	0	0	(110)
New Burdens	(12)	0	0	0	(12)
North Weald Inland Port	(235)	0	7	0	(228)
Prosperity Fund	(34)	(451)	45	0	(440)
Staff Benefits Fund	(27)	(13)	1	0	(39)
Other Ongoing Projects	(335)	(39)	22	0	(352)
Totals	(4,678)	(944)	286	0	(5,336)

3.7 The Capital Investment Risk Reserve was created as part of the closure of the 2023/24 Accounts and approved by Cabinet on 28th May 2024. It recognises that heightened volatility in markets is potentially impacting on the value of Council investments and therefore sets aside funds to hedge against possible reductions in values and cushion against any adverse effect on the General Fund in the event that such risks should crystallise. See discussion in Paragraphs 3.2 and 3.3 above on the Transformation Revenue Reserve.

3.8 Activity (as reflected in expenditure) on the Community Projects Reserve has been relatively subdued in Quarter 1. The Reserve is generally the most active and comprises circa 20 different project categories.

3.9 The Prosperity Fund Reserve holds the revenue funding that the Council has been receiving and spending from the UK Shared Prosperity Fund (UKSPF). The Epping Forest UKSPF core *revenue* allocation for 2024/25 (received in Quarter 1) is £451,366 and is being used to support a wide range of Council economic development and regeneration projects and programmes in the district. See Paragraph 5.2 below re UKSPF *capital* funding.

4) Housing Revenue Account (revenue)

4.1 The Housing Revenue Account (HRA) revenue position for 2024/25, at the Quarter 1 stage, is summarised in the table below. As at 30th June 2024, a £0.022 million underspend is forecast for the year end, with projected net Operating Income of £1.793 million compared to an overall budget provision of £1.771 million.

HRA Budget 2024/25 (Quarter 1)			
Description	Budget 2024/25	Forecast Spending (30/06/24)	Variance
	£000's	£000's	£000's
EXPENDITURE			
Supervision & Management (General)	7,615	7,610	(5)
Supervision & Management (Special)	4,751	4,582	(169)
Rents, Rates, Taxes & Insurances	523	530	7
Repairs & Maintenance	12,676	13,437	761
Management & Maintenance	25,565	26,159	594
Capital Charges	10,700	10,700	0
Treasury Management Expenses	68	40	(28)
Provision for Bad/Doubtful Debts	109	80	(29)
Total Expenditure	36,442	36,979	537
INCOME			
Dwelling Rents	(41,292)	(41,532)	(240)
Non-Dwellings Rents	(993)	(844)	149
Charges for Services & Facilities	(1,586)	(1,472)	114
Contributions from General Fund	(394)	(394)	0
Total Income	(44,265)	(44,242)	23
Net Cost of Services	(7,823)	(7,263)	560
Interest on Receipts and Balances	(510)	(342)	168
Interest Payable on Loans	6,562	5,812	(750)
Net Operating Income	(1,771)	(1,793)	(22)
<i>Appropriations:</i>			
Direct Revenue Contributions to Capital	2,576	2,576	0
(Surplus)/Deficit for Year	805	783	(22)

4.2 The HRA revenue outturn for 2023/24 included underspends on the Stock Condition Survey (£190,000) and the “More than Bricks and Mortar” project (a scheme primarily aimed at achieving infrastructure improvements on housing estates) (£150,000). Consequently, the unspent budgets have been rolled forward and added to the 2024/25 budget agreed by the Council in February 2024. The table below reconciles the updated and original budgets.

HRA Budget Reconciliation 2024/25: Quarter 1	
Description	Value (£000's)
(Surplus)/Deficit for Year (approved by full Council 20/02/24)	465
<i>Brought forward project budgets from 2023/24:</i>	
Stock Condition Survey	190
“More than Bricks and Mortar” Estate Improvement Scheme	150
Total Budget Additions (@ Quarter 1)	340
(Surplus) / Deficit for Year (updated Budget 2024/25 @ Quarter 1)	805

4.3 The three most significant factors behind the forecast as follows:

- **Repairs and Maintenance (0.761 million forecast Overspend)** – there are two significant items contributing to this overspend; firstly, the expectation of further exceptional Void works in some properties (£434,000) and secondly, the increased cost of general repairs due to higher than anticipated material and labour costs (£307,000)
- **Interest Payable on Loans (£0.750 million forecast Underspend)** – HRA capital spending was lower than expected in 2023/24, thereby reducing the need for additional borrowing; this has reduced the associated interest payable in this – the 2024/25 – financial year; and
- **Dwelling Rents (£0.240 million forecast Underspend)** – improvements in Void turnaround times are leading to rental income levels exceeding budget expectations.

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 2024 the balance was £4.797 million, which reflected an underspend on HRA Net Operating Income of £0.200 million in 2023/24 (reported to Cabinet on 28th May 2024).

Movement on HRA Balance: Quarter 1 2024/25	
Description	£000's
HRA Balance 31st March 2024 (pre-audit)	(4,797)
2023/24 Roll Forward (Para 4.2)	340
2024/25 Budget (Deficit) – full Council 20th February 2024	465
2024/25 Net Operating Income Forecast Variance Q1 (Para 4.1)	(22)
HRA Balance 31st March 2025 (Q1 Forecast)	(4,014)

5. General Fund Capital Programme

5.1 The General Fund Capital Programme for 2024/25 as at 30th June 2024 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 £54.362 million. Spending in the first 3 months was £6.696 million, with a forecast outturn of £52.923 million, which – if this materialises – would lead to an underspend of £1.439 million.

General Fund Capital Programme 2024/25 (Quarter 1)					
Description	Budget 2024/25 (Updated)	Spending (@ 30 June 2024)	Remaining Budget (@ 30 June 2024)	Forecast Spending (31/03/25)	Variance (Under) / Over
	£000's	£000's	£000's	£000's	£000's
Contracts, Partnerships & Procurement	25,985	2,008	23,977	26,316	331
Regulatory Services	1,533	98	1,435	1,663	130
ICT & Transformation	4,861	87	4,774	4,281	(580)
Customer & Communities	1,244	0	1,244	1,162	(82)
Housing (Property Services)	839	3	836	851	12
Qualis Loans	19,900	4,500	15,400	18,650	(1,250)
Total Expenditure	54,362	6,696	47,666	52,923	(1,439)
<i>Capital Financing:</i>					
Capital Grants	1,801	98	1,703	2,126	325
Capital Receipts	1,655	145	1,510	1,575	(80)
Borrowing	50,906	6,453	44,453	49,222	(1,684)
Total Financing	54,362	6,696	47,666	52,923	(1,439)

5.2 A General Fund Capital Programme budget of £32.178 million was approved by Council in February 2024. Subsequent updates, including unspent rolled forward balances from 2023/24, have resulted in an updated budget of £54.362 million at the Quarter 1 stage. The table below reconciles the movement.

General Fund Capital Budget Reconciliation 2024/25: Quarter 1	
Description	Value (£000's)
General Fund Capital Budget 2024/25 (full Council 20/02/24)	32,178
Unspent Budgets from 2023/24 Rolled Forward	18,766
UK Shared Prosperity Fund (added projects)	145
Rural Prosperity Fund (added projects)	328
Sport England Grant – Swimming Pool Support Fund – Phase II (added project)	300
Police and Fire Crime Commissioner Grant (added projects)	57
North Weald Operations Hub (added investment) Cabinet (18th March 2024, Ref. C-053-2023/24 Restricted)	1,733
North Weald Airfield Control Tower/Fire Station Development (added investment) Cabinet (28th May 2024, Ref. C-006-2024/25)	855
UPDATED General Fund Capital Budget 2024/25 (@ 30/06/24)	54,362

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

- **Qualis (£1,250 million forecast Underspend)** – as described in Paragraph 2.2, the drawdown of Qualis loans has been slower than envisaged primarily due to planning delays on development sites and financial viability reassessments on some sites in the light of changing market factors; and
- **ICT & Transformation (£0.580 million forecast Underspend)** – the most significant area of capital underspending relates to the ICT Strategy, which has a budget allocation of £4.574 million for 2024/25. The projected outturn is £4.082 million, which if this materialises, would lead to an underspend of £0.492 million. Several schemes have been put on hold, pending a review of the current ICT Strategy, and are not expected to commence until 2025/26. These include an ICT network revamp and switch replacement project (£191,000), a scheme to consider a cloud-based solution for the current Revenues and Benefits system (£151,000), the provision of a full Microsoft platform (£100,000) and a Policy Management Meta Compliance and Consultation Tool (£50,000).

6) Housing Revenue Account (HRA) Capital Programme

6.1 The Housing Revenue Account (HRA) Capital Programme for 2024/25 as at 30th June 2024 is summarised in the table below. A more detailed analysis – at a scheme level – is included in **Appendix C**. The updated Programme budget totals £56.053 million. Spending in the first 3 months was £5.141 million, with a forecast outturn of £52.529 million, which – if this materialises – would lead to an underspend of £3.524 million.

HRA Capital Programme 2024/25 (Quarter 1)					
Description	Budget 2024/25 (Updated)	Spending (@ 30 June 2024)	Remaining Budget (@ 30 June 2024)	Forecast Spending (31/03/25)	Variance (Under) / Over
	£000's	£000's	£000's	£000's	£000's
Housing Development	22,083	2,856	19,227	18,751	(3,332)
Capital Works	29,871	2,068	27,803	29,872	1
Other Housing Schemes	4,099	217	3,882	3,906	(193)
Total Expenditure	56,053	5,141	50,912	52,529	(3,524)
<i>Capital Financing:</i>					
Grants	180	0	180	180	0
Capital Receipts	4,693	1,428	3,265	9,543	4,850
Major Repairs Reserve	10,700	3,713	6,987	15,357	4,657
Direct Revenue Contributions	2,576	0	2,576	2,576	0
Borrowing	37,904	0	37,904	24,873	(13,031)
Total Financing	56,053	5,141	50,912	52,529	(3,524)

6.2 An HRA Capital Programme budget of £33.087 million was approved by Council in February 2024. A net total of £22.866 million in unspent budgets have been rolled forward from 2023/24; and finally, a new scheme for Limes Farm Playground (£0.100 million) has been added (funded by UK Shared Prosperity Grant), resulting in an updated HRA Programme budget of £56.053 million for the year.

6.3 There is one significant area of underspending/slippage on the HRA Capital Programme at the Quarter 1 stage:

- **Housing Development (£3.332 million forecast Underspend)** – the most significant area of underspending relates to the Housebuilding Programme which has a total budget allocation of £7.561 million for 2024/25. The forecast outturn is £4.269 million, which – if it materialises – would lead to an underspend of £3.292 million. Two schemes, Ladyfields and Chequers B, have encountered planning issues and delays, with expected starts on site now being in the second half of the year. However, two schemes, at Pentlow Way and Woollard Street, are expected to complete during Quarter 2.

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 £13.031 million reduction in the need to borrow in 2024/25.

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 2024/25												
Description	Quarter 1			Quarter 2			Quarter 3			Quarter 4		
	22/23	23/24	24/25	22/23	23/24	24/25	22/23	23/24	24/25	22/23	23/24	24/25
Invoices Paid in 30 Days (%)	70%	88%	85%	76%	84%	N/A	77%	84%	N/A	81%	80%	N/A
Average Days to Pay an Invoice	36	20	21	32	25	N/A	31	26	N/A	26	25	N/A

7.2.2 The table above reflects a sustained improvement in the Payment of Invoices over the last 27 months. Although performance in Quarter 1 is slightly lower compared to the same stage in 2023/24 (which was the highest peak yet), it is still an improvement on the Quarter 4 2023/24 position.

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 the 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 and focus to be given to problem areas.

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 below).

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.

Sundry Debt Collection 2024/25								
Description	June (Q1)		Sept (Q2)		Dec (Q3)		Mar (Q4)	
	23/24	24/25	23/24	24/25	23/24	24/25	23/24	24/25
Average Age of Outstanding Sundry Debt (Days)	1,576	956	1,408	N/A	1,415	N/A	1,451	N/A
Total Value of Debt Outstanding over 60 Days Old (£M's)	£3.347	£2.912	£3.214	N/A	£3.736	N/A	£3.122	N/A

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, progress is being made, with older cases being reviewed, remaining data anomalies addressed, and backlogs eliminated; this is now beginning to be reflected in improved results in the two key indicators as illustrated in the table above. The Average Age of Outstanding Sundry Debt in particular, has now fallen to 956 Days at the Quarter 1 stage, compared to 1,576 Days at the same stage last year. Nevertheless, this still remains a high priority area for improvement, and optimism is high that a further improvement in performance can be reported in Quarter 2.

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.

Local Tax Collection Rates 2024/25 (Quarter 1)			
	30th June 2022	30th June 2023	30th June 2024
Council Tax collected (%)	26.97%	27.18%	27.28%
Business Rates collected (%)	28.95%	28.51%	29.42%

7.2.9 The table above shows that 2024/25 has got off to a good start, with the 'post-pandemic' improvement in Council Tax collection rates continuing at this (Q1) stage and Business Rates collection recovering after a slow start in 2023/24 (Note - Business Rates collection is significantly more prone to fluctuation).

7.3 Prudential Indicators

7.3.1 The Council is required by regulation to have regard to the Prudential Code (the Code) when performing 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 included 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 (2024/25 to 2026/27) adopted by the Council in February 2024 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	2023/24 Actual	2024/25 Forecast (Q1)	2025/26 Budget	2026/27 Budget
	£000's	£000's	£000's	£000's
General Fund (GF)	8,594	34,273	19,013*	2,389*
Qualis Investments (GF)	28,275	18,650	2,030*	0*
Housing Revenue Account	18,293	52,529	34,576*	19,220*
TOTALS	55,162	105,452	55,619*	21,609*

**Capital Strategy 2024/25 to 2026/27 Table 1 + adopted Capital Programme (full Council 20/02/24)*

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* (HRA).

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 Revenue Provision (MRP) and capital receipts used to replace debt.

Description	2023/24 Actual	2024/25 Forecast (Q1)	2025/26 Budget	2026/27 Budget
	£M's	£M's	£M's	£M's
General Fund (including Qualis Investments)	188.9	234,457	240.2*	236.1*
Housing Revenue Account	154.6	179,323	191.2*	192.6*
TOTAL CFR	343.5	413,780	431.4*	428.7*

*Capital Strategy 2024/25 to 2026/27 Table 4 (full Council 20/02/24)

7.3.6 The table above shows that there has been a relatively small increase compared to the CFR budget estimate for 2024/25 included in the Capital Strategy (formulated in January 2024), with a Quarter 1 forecast (as at 30th June 2024) of £413.780 million (compared to the Capital Strategy estimate of £404.100 million). The increase reflects rolled forward and new schemes (summarised in Appendix B below).

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	2023/24 Actual	2024/25 Forecast (Q1)	2025/26 Budget	2026/27 Budget	Actual Debt (30/06/24)
	£M's	£M's	£M's	£M's	£M's
Outstanding Debt (including leases)	253.1	252.4	261.5*	256.9*	252.4
Capital Financing Requirement (CFR)	343.5	413.8	431.4*	428.7*	N/A

*Capital Strategy 2024/25 to 2026/27 Table 6 (full Council 20/02/24)

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 2024/25 Maximum	30/06/24 Actual	Operational Boundary 2024/25	Authorised Limit 2024/25	Complied? (Yes/No)
	£000's	£000's	£000's	£000's	£000's
Borrowing	253,052	252,369	415,621*	425,621*	Yes
PFI and Finance Leases	0	0	0	0	Yes
Total Debt	253,052	252,369	415,621*	415,621*	Yes

*Capital Strategy 2024/25 to 2026/27 Table 8 (full Council 20/02/24)

7.3.9 The table above shows that the Council continues to operate well within its Authorised Limit and Operational Boundary, with the need to borrow dampened significantly as a consequence of the recent North Weald Airfield capital receipt.

Net Income from Service and Commercial 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	2023/24 Actual	2024/25 Forecast (Q1)	2025/26 Budget	2026/27 Budget
	£000's	£000's	£000's	£000's
Total Net Income from Service and Commercial Investments	11,135	11,672	12,481*	12,702*
Proportion of Net Revenue Stream	64%	67%	69%*	69%*

*Capital Strategy 2024/25 to 2026/27 Table 11 (full Council 20/02/24)

7.3.11 The 67% forecast for 2024/25 compares to an expectation of 68% in the Capital Strategy. Income expectations from Commercial Investments have been very stable in Quarter 1, which has combined with a small budget surplus forecast, with the net effect being a 1% (risk reducing) fall in the ratio.

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	2023/24 Actual	2024/25 Forecast (Q1)	2025/26 Budget	2026/27 Budget
	£000's	£000's	£000's	£000's
Financing Costs	3,653	1,762	3,838*	4,599*
Proportion of Net Revenue Stream (Standard CIPFA Indicator)	21%	10%	21%*	25%*
Proportion of Net Revenue Stream (Local Indicator)	12%	6%	12%*	12%*

*Capital Strategy 2024/25 to 2026/27 Table 12 (full Council 20/02/24) - amended

7.3.14 Members should note the amendment to Table 12 of the Capital Strategy 2024/25; a review of the original calculation has identified the omission of the Financing Costs of Qualis loans, which has now been corrected to ensure a compliant comparison.

7.3.15 The (amended) position on this indicator illustrates how the Council is benefiting from the North Weald Airfield Capital Receipt in the short term as net Financing Costs are significantly reduced in 2024/25. Both indicators are now well within the (amended) forecasts assumed within the adopted Capital Strategy (2024/25 to 2026/27).

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 large property portfolio (6,435 properties, with a Balance Sheet value of £803.173 million as at 31st March 2024). 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	2023/24 Actual	2024/25 Estimate	2024/25 Forecast (Q1)
	Ratio	Ratio	Ratio
Loan to Value	0.19	0.19	0.22
Target Maximum (LTV)	0.70	0.70	0.70

**Capital Strategy 2024/25 to 2026/27 Table 9 (full Council 20/02/24)*

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	2023/24 Actual	2024/25 Estimate	2024/25 Forecast (Q1)
	Ratio	Ratio	Ratio
HRA Interest Cover	0.92	1.24*	1.25
Target Minimum (IC)	1.25	1.25*	1.25

**Capital Strategy 2024/25 to 2026/27 Table 13 (full Council 20/02/24)*

7.4.6 It can be seen from the table above that, based on current projections, the HRA Interest cover ratio is forecast to meet the target minimum set by the Council. It is also an improvement on the outturn for 2023/24 which was impacted by higher than anticipated Void costs.

Reason for Decision:

This report will be considered by Cabinet on 2nd September 2024 and facilitates the scrutiny of the Council's financial position for 2024/25.

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 2024/25 budget was informed by the democratic scrutiny processes.

Background Papers:

Management Accounts 2024/25 (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 2024/25

Quarter 1 Forecast

Epping Forest DC: General Fund Revenue Budget 2024/25								
@ 30 June 2024 (Month 3)								
General Fund								
Service Area	Activity	Net Expenditure						
		Full Year Budget £'s	Budget (M3) £'s	Actual (M3) £'s	Variance £'s	Forecast £'s	Variance £'s	
Audit	Internal Audit	312,490	78,123	76,503	- 1,620	312,877	387	
	Sub-Total	312,490	78,123	76,503	- 1,620	312,877	387	
Chief Executive	Chief Executive Support Services	479,470	119,868	133,346	13,479	474,533	- 4,937	
	Corporate Activities	116,320	29,080	30,222	1,142	116,320	-	
	Chief Executive Other Activities	32,600	8,150	-	8,150	32,600	-	
	Sub-Total	628,390	157,098	163,568	6,471	623,453	- 4,937	
Contracts, Partnerships & Procurement	Car Parking - C,P & P	690,670	172,668	130,272	42,395	832,622	141,952	
	Contracts & Technical Support Services	2,160,830	540,208	473,371	66,836	2,239,122	78,292	
	Cost Centres - Contracts, Partnerships & Procurement	590,340	147,585	189,346	41,761	669,040	78,700	
	Environmental Health - C,P & P	187,550	46,888	58,471	11,583	188,250	700	
	Land & Property	8,283,800	2,070,950	2,249,696	178,746	8,412,602	128,802	
	Leisure Facilities	1,191,930	297,983	19,979	317,961	1,195,332	3,402	
	North Weald Centre	957,260	239,315	108,891	348,206	810,251	147,009	
	Parks & Grounds - C, P & P	486,950	121,738	6,759	114,978	515,950	29,000	
	Waste Management	7,957,660	1,989,415	945,082	1,044,333	7,885,889	71,771	
	Sub-Total	259,670	64,918	578,069	642,987	247,443	12,227	
	Corporate Services	Business Support	1,475,488	368,872	307,574	61,298	1,473,426	2,062
		Customer Support Services - Corp Serv	339,870	84,968	93,609	8,642	394,780	54,910
		Corp Serv - Member Activities	387,180	96,795	92,058	4,737	375,062	12,118
Cost Centres - Corporate Support		177,800	44,450	41,200	3,250	185,619	7,819	
Elections		201,020	50,255	14,819	35,436	222,703	21,683	
Emergency Planning & Other		88,810	22,203	21,078	1,124	84,254	4,556	
Other Support Services		1,806,650	451,663	375,418	76,244	1,721,939	84,711	
Strategy Support Services		216,530	54,133	53,233	899	219,735	3,205	
Sub-Total		4,693,348	1,173,337	998,988	174,349	4,677,518	15,830	
Customer & Communities		Community, Health & Wellbeing	22,370	5,593	218,968	224,561	32,450	10,080
	Cost Centres - Community & Wellbeing	689,890	172,473	125,397	47,076	511,490	178,400	
	Cost Centres - Place	97,100	24,275	23,880	395	97,090	10	
	Customer Support Services - C&C	706,770	172,693	172,447	4,246	690,620	16,150	
	Economic Projects Support Serv	120,990	30,248	67,364	37,116	158,841	37,851	
	Homelessness - C&C	-	-	25,123	-	25,123	-	
	Museum, Heritage & Culture	314,120	78,530	228,475	149,945	317,387	3,267	
	Community & Partnership	243,520	60,880	364,440	425,320	243,520	-	
	Voluntary Sector Support	208,240	52,060	115,108	63,048	208,650	410	
	Sub-Total	2,403,000	600,750	124,138	476,612	2,260,048	142,952	
	Finance	Accounts Payable	223,982	55,996	56,964	968	231,362	7,380
Cashiers		333,100	83,275	70,480	12,795	333,445	345	
Finance & Other Activities		501,310	125,328	77,128	48,199	503,694	2,384	
Finance Support Services		1,111,380	277,845	159,424	437,269	1,120,110	8,730	
Insurance		801,720	200,430	49,699	250,129	748,622	53,098	
Sub-Total		2,971,492	742,873	4,551	747,424	2,937,233	34,259	
Housing & Property	Accommodation	373,110	93,278	219,791	126,514	287,967	85,143	
	Cost Centres - Housing & Property	612,270	153,068	105,545	47,523	611,820	450	
	Facilities & Depot Management	496,780	124,195	183,360	59,165	593,840	97,060	
	Homelessness	106,670	26,668	736,531	763,199	103,616	3,054	
	Housing & Property Support Services	288,610	72,153	32,774	39,379	288,610	-	
	Sub-Total	1,877,440	469,360	195,062	664,422	1,885,853	8,413	
ICT & Transformation	Continuous Improvement	854,090	213,523	224,421	10,898	778,123	75,967	
	ICT	3,662,510	915,628	1,513,085	597,458	3,451,391	211,119	
	Sub-Total	4,516,600	1,129,150	1,737,506	608,356	4,229,514	287,086	
Planning & Development	Cost Centres - Planning Services	2,328,326	582,082	510,554	71,527	2,232,515	95,811	
	Local Plan Implementation	565,094	141,274	178,648	319,922	648,852	83,758	
	Planning & Development	1,590,940	397,735	300,845	96,890	1,263,841	327,099	
	Planning Support Services	218,460	54,615	54,019	596	218,336	124	
	Regulatory Services - BC	414,120	103,530	138,575	35,045	347,580	66,540	
	Sub-Total	1,106,820	276,705	53,495	330,200	1,488,281	381,461	
Regulatory Services	C&T Emergency Planning & Other	2,110	528	-	528	820	1,290	
	Car Parking	221,730	55,433	24,552	30,881	178,795	42,935	
	Cost Centres - Regulatory Services	3,127,920	781,980	690,989	90,991	3,096,694	31,226	
	Community & Partnership - Regulatory Services	192,120	48,030	46,376	1,654	197,540	5,420	
	Environmental Health	9,080	2,270	51,257	48,987	9,520	440	
	Land Drainage/Sewerage	116,980	29,245	10,047	19,198	120,980	4,000	
	Licensing	237,760	59,440	52,970	6,470	235,420	2,340	
	Parks & Grounds	63,220	15,805	9,315	6,490	65,802	2,582	
	Regulatory Services	139,120	34,780	47,252	12,472	139,324	204	
	Private Sector Housing	226,640	56,660	38,128	18,532	245,035	18,395	
	Sub-Total	3,385,500	846,375	686,175	160,200	3,308,340	77,160	
Strategic Projects	Cost Centres - Customer Services	2,284,550	571,138	561,766	9,372	2,277,829	6,721	
	Customer Support Services	208,860	52,215	52,320	105	211,930	3,070	
	Housing Benefits	806,080	201,520	1,371,182	1,169,662	785,501	20,579	
	Local Taxation	838,970	209,743	100,534	109,209	835,785	3,185	
	Sub-Total	848,360	212,090	857,630	1,069,720	868,473	20,113	
General Fund Total		23,003,110	5,750,778	2,098,072	- 3,652,706	22,839,034	- 164,076	
	Qualis Income	- 2,952,690	-	-	-	2,771,881	180,809	
	HRA Recharges	- 4,542,140	-	-	-	4,548,660	6,520	
	Financing							
	Interest (exc. Qualis):							
	Interest Receivable	2,580,000	-	-	-	3,016,157	436,157	
	Interest Payable	1,637,160	-	-	-	1,946,918	309,758	
	Minimum Revenue Provision	1,306,000	-	-	-	1,197,000	109,000	
General Fund (Net Expenditure)		15,871,440	5,750,778	2,098,072	- 3,652,706	15,646,254	- 225,186	

General Fund Capital Programme 2024/25

Quarter 1 Forecast

General Fund Capital Programme 2024/25: Quarter 1 Forecast										
Scheme	2023/24 Budget Outturn			2024/25 Budget			2024/25 Budget Progress (@ 30 June 2024 - Q1)			
	2023/24 Unspent / (Overspent) Balances	(Savings) / Overspends not c/fwd	Balances Rolled Forward into 2024-25	2024/25 Budget Allocation	Q1 Changes	2024/25 Budget (Updated)	Actuals to Q1	Remaining Budget	Forecast Outturn 2024/25	Forecast (Uspend) / Opend 2024/25
	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s
Contracts, Partnerships & Procurement										
Cartersfield Road	398,280	(398,280)	-	-	-	-	-	-	-	-
Investment Property Acquisition Fund	398,570	-	398,570	-	-	398,570	-	398,570	-	(398,570)
EFDC Shopping Park	(4,440)	4,440	-	-	-	-	12,579	(12,579)	-	-
Superfast Broadband (REFCuS)	350,000	-	350,000	-	-	350,000	-	350,000	350,000	-
North Weald Airfield	136,240	-	136,240	-	-	136,240	-	136,240	100,000	(36,240)
NWA Waste Depot	3,969,680	-	3,969,680	-	1,733,000	5,702,680	53,978	5,648,702	5,702,680	-
Waste Vehicle Fleet Replacement	9,220,000	(9,220,000)	-	-	-	-	-	-	-	-
NWA Replacement Control Tower	-	-	-	1,000,000	854,920	1,854,920	-	1,854,920	1,854,920	-
Grounds Maintenance	29,270	-	29,270	30,000	-	59,270	-	59,270	58,000	(1,270)
Loughton LC Plant & Heating System	-	-	-	-	300,000	300,000	-	300,000	300,000	-
Leisure Centre Energy Saving Schemes	5,520	(5,520)	-	-	-	-	-	-	-	-
Epping Leisure Centre (Bakers Lane)	8,383,170	-	8,383,170	8,800,000	-	17,183,170	1,941,418	15,241,752	17,950,830	767,660
Sub-Totals	22,886,290	(9,619,360)	13,266,930	9,830,000	2,887,920	25,984,850	2,007,975	23,976,875	26,316,430	331,580
Regulatory Services										
CCTV Replacement Programme	1,470	(1,470)	-	40,000	56,830	96,830	-	96,830	81,830	(15,000)
CarPark CCTV Systems	3,700	(3,700)	-	25,000	-	25,000	-	25,000	25,000	-
Highway Ranger Vehicle & Equipment	40,000	-	40,000	-	-	40,000	-	40,000	50,000	10,000
Highways - Pavement Widening Scheme	100,000	-	100,000	-	-	100,000	-	100,000	-	(100,000)
Highways (REFCuS)	96,060	(1,500)	94,560	-	-	94,560	-	94,560	50,000	(44,560)
Vehicle Fleet Replacement & OHD Equipment	175,310	-	175,310	-	-	175,310	-	175,310	129,500	(45,810)
Disabled Facilities Grants (REFCuS)	971,210	(971,210)	-	971,210	-	971,210	97,577	873,633	1,296,200	324,990
Home Assist Grants (REFCuS)	30,000	(30,000)	-	30,000	-	30,000	-	30,000	30,000	-
Sub-Totals	1,417,750	(1,007,880)	409,870	1,066,210	56,830	1,532,910	97,577	1,435,333	1,662,530	129,620
ICT & Transformation										
ICT General Schemes	193,800	-	193,800	93,000	-	286,800	1,537	285,263	198,310	(88,490)
ICT Strategy	3,602,720	-	3,602,720	971,000	-	4,573,720	85,201	4,488,519	4,082,310	(491,410)
Sub-Totals	3,796,520	-	3,796,520	1,064,000	-	4,860,520	86,738	4,773,782	4,280,620	(579,900)
Customer & Communities										
Council Chamber AV Upgrade	94,430	-	94,430	-	-	94,430	-	94,430	12,000	(82,430)
UK Prosperity Fund Projects	161,780	(161,780)	-	-	472,530	472,530	-	472,530	472,530	-
Climate & Environmental Projects	676,980	-	676,980	-	-	676,980	-	676,980	676,980	-
Sub-Totals	933,190	(161,780)	771,410	-	472,530	1,243,940	-	1,243,940	1,161,510	(82,430)
Housing (Property Services)										
Investment Properties (Planned Works)	202,800	(25,000)	177,800	250,000	-	427,800	-	427,800	155,000	(272,800)
202-220 Loughton HR - roof and H & S works	21,820	-	21,820	-	-	21,820	2,444	19,376	21,820	-
Debden Broadway Regeneration Scheme	-	-	-	-	-	-	-	-	500,000	500,000
Operational Properties (Planned Works)	324,780	(2,950)	321,830	68,000	-	389,830	263	389,567	174,970	(214,860)
Sub-Totals	549,400	(27,950)	521,450	318,000	-	839,450	2,707	836,743	851,790	12,340
Qualis										
Regeneration Finance Loans	88,247,500	(88,247,500)	-	19,900,000	-	19,900,000	4,500,000	15,400,000	18,650,000	(1,250,000)
Sub-Totals	88,247,500	(88,247,500)	-	19,900,000	-	19,900,000	4,500,000	15,400,000	18,650,000	(1,250,000)
Total Expenditure	117,830,650	(99,064,470)	18,766,180	32,178,210	3,417,280	54,361,670	6,694,997	47,666,673	52,922,880	(1,438,790)
Capital Financing Analysis:										
Capital Grants	-	-	-	971,210	829,360	1,800,570	97,577	1,702,993	2,125,560	324,990
Capital Receipts	-	-	-	800,480	854,920	1,655,400	145,238	1,510,162	1,575,370	(80,030)
Borrowing	117,830,650	(99,064,470)	18,766,180	30,406,520	1,733,000	50,905,700	6,452,182	44,453,518	49,221,950	(1,683,750)
Total Financing	117,830,650	(99,064,470)	18,766,180	32,178,210	3,417,280	54,361,670	6,694,997	47,666,673	52,922,880	(1,438,790)

Housing Revenue Account Capital Programme 2024/25

Quarter 1 Forecast

HRA Capital Programme 2024/25: Quarter 1 Forecast										
Schemes	2023/24 Budget Outturn (xtract)			2024/25 Budget			2024/25 Budget Progress (@ 30 June 2024 - Q1)			
	2023/24 Unspent/ (Overspent) Balances	(Savings) / Overspends not c/fwd	Balances Rolled Forward Into 2024/25	2024/25 Budget Allocation	Q1 Changes	24/25 Budget (Updated)	Actuals to (Q1)	Remaining Budget	Forecast Outturn 2024/25	Forecast (Uspend)/Ospend 2024/25
	£s	£s	£s	£s	£s	£s	£s	£s	£s	£s
Housing Development Programme:										
Housebuilding	12,448,700	(10,388,500)	2,060,200	5,501,000	-	7,561,200	46,137	7,515,063	4,269,000	(3,292,200)
Qualis Acquisitions	19,420,913	(10,920,913)	8,500,000	6,022,000	-	14,522,000	2,809,500	11,712,500	14,482,000	(40,000)
Development Land Purchases	466,410	(466,410)	-	-	-	-	-	-	-	-
Sub-Totals	32,336,024	(21,775,824)	10,560,200	11,523,000	-	22,083,200	2,855,637	19,227,563	18,751,000	(3,332,200)
Capital Works:										
Heating	711,273	(459,953)	251,320	2,552,510	-	2,803,830	386,756	2,417,074	2,804,000	170
Windows, Door and Roofing	4,156,291	(1,170,291)	2,986,000	2,602,880	-	5,588,890	226,061	5,362,829	5,589,453	563
Compliance Planned Maintenance	557,653	(487,903)	69,750	1,803,620	(878,650)	994,720	14,380	980,340	995,000	280
Kitchens & Bathrooms (inc void allocation)	3,098,332	(2)	3,098,330	4,192,470	-	7,290,800	554,715	6,736,085	7,291,000	200
Electrical	1,577,017	(215,107)	1,361,910	1,734,380	-	3,096,290	-	3,096,290	3,097,000	710
Net Zero Carbon Works	2,448,159	1	2,448,160	1,500,000	-	3,948,160	665,676	3,282,484	3,948,000	(160)
Environmental	921,726	(643,726)	278,000	884,380	-	1,162,380	-	1,162,380	1,162,000	(380)
Structural works	991,804	(579,544)	412,260	1,805,550	878,650	3,096,460	26,634	3,069,826	3,096,000	(460)
Disabled Adaptations	(56,545)	(5)	(56,550)	1,081,160	-	1,024,610	178,606	846,004	1,025,000	390
Asbestos Removal	174,818	(174,818)	-	328,380	-	328,380	15,648	312,732	328,000	(380)
Estate Improvements	95,870	(95,870)	-	-	-	-	-	-	-	-
SCS Unsurveyed Blocks	-	-	-	536,400	-	536,400	-	536,400	536,400	-
Sub-Totals	14,676,398	(3,827,218)	10,849,180	19,021,740	-	29,870,920	2,068,477	27,802,443	29,871,853	933
Regeneration Projects:										
Limes Avenue and Copperfield	818,745	(476,305)	342,440	-	-	342,440	102,437	240,003	342,440	-
Broadway	2,693,397	(2,693,397)	-	1,000,000	-	1,000,000	-	1,000,000	1,000,000	-
Sub-Totals	3,512,142	(3,169,702)	342,440	1,000,000	-	1,342,440	102,437	1,240,003	1,342,440	-
Other Housing Schemes:										
Service Enhancements (General)	204,020	(204,020)	-	500,000	(20,000)	480,000	-	480,000	480,000	-
UK Shared Prosperity Grant - Limes Farm Playground	-	-	-	-	100,000	100,000	-	100,000	100,000	-
Housing Asset Management Project	272,448	2	272,450	-	-	272,450	8,704	263,746	272,000	(450)
Service Enhancements (HFFHH)	154,000	-	154,000	164,320	-	318,320	106,434	211,886	318,000	(320)
Door Replacement Programme (Leasehold)	233,540	-	233,540	-	-	233,540	-	233,540	234,000	460
Sheltered Block Refurbishments	290,511	(290,511)	-	363,030	-	363,030	-	363,030	170,000	(193,030)
Emergency Alarm Upgrades	360,000	-	360,000	403,200	-	763,200	-	763,200	763,000	(200)
Sheltered Housing Works	398,627	(304,837)	93,790	1,111,710	-	205,500	-	205,500	206,000	500
Sub-Totals	1,913,146	(799,366)	1,113,780	1,542,260	80,000	2,736,040	115,138	2,620,902	2,543,000	(193,040)
Vehicle Replacements										
	-	-	-	-	20,000	20,000	-	20,000	20,000	0
Total Expenditure	52,437,709	(29,572,109)	22,865,600	33,087,000	100,000	56,052,600	5,141,689	50,910,911	52,528,293	(3,524,307)
Capital Financing Analysis:										
Grants	(506,350)	506,350	-	80,000	100,000	180,000	-	180,000	180,000	-
Capital Receipts	364,819	(364,819)	-	4,693,000	-	4,693,000	1,427,819	3,265,181	9,542,500	4,849,500
Major Repairs Reserve	(5,998,939)	5,998,939	-	10,700,000	-	10,700,000	3,713,870	6,986,130	15,357,000	4,657,000
Direct Revenue Contributions	1,364,000	(1,287,000)	77,000	2,498,000	-	2,576,000	-	2,576,000	2,576,000	-
Borrowing	57,214,180	(34,425,580)	22,788,600	15,115,000	-	37,903,600	-	37,903,600	24,872,793	(13,030,807)
Total Financing	52,437,709	(29,572,109)	22,865,600	33,087,000	100,000	56,052,600	5,141,689	50,910,911	52,528,293	(3,524,307)