

# **Report to the Cabinet**

**Report reference: C-033-2024-25**

**Date of meeting: 11 November 2024**



**Epping Forest  
District Council**

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

**Subject: Quarter 2 Budget Monitoring Report 2024/25**

**Responsible Officer: Chris Hartgrove 01992 564000 (Ext. 2532)**

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## **Recommendations/Decisions Required:**

- (1) The General Fund revenue position at the end of Quarter 2 (30th September 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 2 (30th September 2024) for 2024/25 be noted (including Appendix B).**
- (3) The Housing Revenue Account revenue position at the end of Quarter 2 (30th September 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 2 (30th September 2024) for 2024/25 be noted (including Appendix C); and**
- (5) The wider position on Financial Performance and Risk at the end of Quarter 2 (30th September 2024).**

## **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 September 2024 (“Quarter 2”). 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 2 (Q2) stage – a budget underspend of £0.131 million is forecast, with projected net expenditure of £15.740 million against an overall budget provision of £15.871 million. This represents a fairly stable picture, following on from a forecast underspend of £0.225 million in Quarter 1.

As presented in Paragraph 2.2, the most significant budget pressure at the Quarter 2 stage is an anticipated shortfall in income from Planning Applications (forecast impact £0.308 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 (£0.448 million), Regulatory Services (£0.164 million) and Customer & Communities (£0.161 million).

The funding position on the General Fund in Quarter 2, 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 £6.133 million is anticipated, reflecting the combined impact of the Quarter 2 forecast underspend and funding position. This would allow the transfer of £2.133 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 forecast to record a small overspend (of £0.377 million) at the Quarter 2 stage, due to a notable budget pressure on Repairs and Maintenance.

If the overall HRA forecast materialises, the HRA Balance will end the year at £3.655 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 6 months was £16.691 million, with a forecast outturn of £52.596 million, which – if this materialises – would lead to an underspend of £1.766 million. The drawdown on Qualis loans is lower than the budget (£1.250 million) and there is also slippage on the ICT Strategy (£2.148 million).
- *Housing Revenue Account Capital Programme* – spending in the first 6 months was £8.176 million, with a forecast outturn of £44.018 million, which – if this materialises – would lead to an underspend of £12.035 million. Slippage on Capital Works (£6.228 million) and Housing Development (£5.237 million) are the biggest factors.

And finally, wider Financial Performance and Risk (covered in Section 7). The Quarter 2 position is generally positive, with improved performance in the Payment of Invoices holding up, and a good 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 a reduction in the Average Age of Outstanding Sundry Debt as at 30th September 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.

## Report:

### 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 six months of the financial year, and projects forward to the anticipated outturn for the end of the financial year.
- 1.2 This is the second update for 2024/25 and includes the General Fund and Housing Revenue Account positions, for both revenue and capital, as at 30th September 2024 ("Quarter 2").

### 2) General Fund Revenue Budget

#### Net Expenditure

- 2.1 The General Fund **net expenditure** position for 2024/25, at the Quarter 2 stage – summarised by service area – is presented in **Appendix A**. The headline is a forecast budget underspend of £0.131 million, with projected net expenditure of £15.740 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 2)			
Description	Budget 2024/25	Q2 Forecast Spending (30/09/24)	Variance
	£000's	£000's	£000's
Audit	312	313	1
Chief Executive	628	726	98
Contracts, Partnerships & Procurement	260	183	(77)
Corporate Services	4,693	4,687	(6)
Customer & Communities	2,403	2,242	(161)
Finance	2,972	2,935	(37)
Housing & Property	1,877	1,834	(43)
ICT & Transformation	4,517	4,069	(448)
Planning & Development	1,107	1,640	533
Regulatory Services	3,386	3,221	(165)
Strategic Projects	848	934	86
Qualis	(2,953)	(2,772)	181
HRA Recharges	(4,542)	(4,555)	(13)
Financing	363	283	(80)
<b>Totals (Net Expenditure)</b>	<b>15,871</b>	<b>15,740</b>	<b>(131)</b>

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 (£533,535 forecast Overspend)** – the risk of another income shortfall on Planning Applications continues, 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 £307,880 at the Quarter 2 stage (20.4% 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. Additional costs of £168,000 on Planning Appeals awarded against the Council are adding to the budget pressure (including £141,000 relating to Chigwell Nursery); and
- **Qualis Income (£180,809 forecast Overspend)** – the drawdown of Qualis loans gathered pace in 2023 and this has generally continued in 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%.

However, temporary delays to the completion of the Springwood Grove housing development have pushed out the expected pattern of sales receipts forecast within the last Qualis Business Plan. This is temporarily creating gaps in expected cashflows into Qualis Commercial.

The Council is closely monitoring Qualis Commercial and has granted an extension to previously agreed repayment terms whilst Qualis catches up from the development delays. Qualis will make full repayment, plus late payment interest in the coming months. Qualis Commercial has now completed the development of industrial and commercial space at Cartersfield Road in Waltham Abbey and has accepted an offer to purchase the development in line with its planning assumptions. The sale receipt from this development is now expected to provide cash ahead of the sale of Springwood Grove and will enable Qualis to make the necessary delayed loan repayments, including any late interest accrued.

In the meantime, the Quarter 1 forecast on Qualis margins remains unaltered for the purposes of this – the Quarter 2 – report.

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 (£447,632 forecast Underspend)** – there are a range of variances on individual ICT cost centres, which is driving an anticipated net underspend of £371,295; this is the dominant factor in an overall forecast underspend of £447,632. The most notable individual variances relate to “Azure” and “Gamma”. Firstly, savings have been achieved on the Azure system (with ICT resources temporarily focussed on the delivery of TVS Limited) (impact £75,000). And secondly, savings of £72,000 are anticipated on the Gamma (telephone) system in 2024/25 due to delays in the roll out of additional features, pending a common upgrade across both Epping and Colchester (as part of shared services).
- **Regulatory Services (£164,362 forecast Overspend)** – there are a range of budget underspends anticipated within Regulatory Services at the Q2 stage. Most notably an underspend of £37,177 is anticipated on Fleet, most notably driven by additional income from Servicing and MOTs (£24,000). An expected underspend of £34,084 on Highways Rangers is also noteworthy and predominantly the result of projected Salary savings of £29,084, primarily due to a temporary vacancy within the service; and

- **Customer & Communities (£161,220 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 is to be removed from the budget in 2025/26.

2.4 The Pay Award for 2024/25 was settled after the estimates in this report were prepared, but before the report was issued to Cabinet. The forecast outturn for Quarter 2 therefore currently assumes that the original Pay Award assumption of 3.0% will eventually crystallise. However, an average settlement of 3.27% was reached for Epping Forest District Council, with the National Employers' pay offer for 2024/25 (a complex hybrid offer - predominantly comprising a fixed award of £1,290 to most employees) eventually accepted by recognised unions. Projections will be updated within the Quarter 3 report, to reflect the full budgetary impact (an estimated increase of £46,710 is expected).

### **Funding**

2.5 The General Fund **funding** position for 2024/25, at the Quarter 2 stage is summarised in the table below.

<b>GF Funding Position 2024/25 (Quarter 2)</b>			
<b>Source Description</b>	<b>Budget Assumption 2024/25</b>	<b>Q2 Forecast (30/09/24)</b>	<b>Variance</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
Council Tax	(9,288)	(9,288)	0
Business Rates	(6,359)	(6,301)	58
Collection Fund Adjustments	(215)	(215)	0
Council Tax Sharing Agreement (CTSA)	(435)	(528)	(93)
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	2,133	179
<b>Total Funding</b>	<b>(15,871)</b>	<b>(15,740)</b>	<b>131</b>

2.6 The funding position on the General Fund in Quarter 2 is generally close to budget at this stage. There was a small reduction in anticipated funding from the Business Rates Retention (BRR) at the Quarter 1 stage (Pre-Levy Income forecast was 1.0% below budget in UPDATED consolidated Essex Pooling return). The timing of the release of this report does not allow for the inclusion of the Quarter 2 position, although Net Rates Payable reported on the “Academy” Revenues system (@ 30th September 2024) is down compared to assumptions made back in January 2024; a further updated will be provided to the Committee in Quarter 3. CTSA payments are positive 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 £2.133 million to Reserves.

### 3) General Fund Reserves

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

- 3.1 The positive outlook of £0.131 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 £2.133 million to Reserves, which is £0.179 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 £2.133 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 2 stage is presented in the table below.

<b>Movement on General Fund Reserve: Quarter 2 2024/25</b>	
<b>Description</b>	<b>£000’s</b>
General Fund Balance 31st March 2024 (pre-audit)	(4,000)
Contribution from/(to) Reserves 2024/25 (Q2 forecast)	(2,133)
<b>General Fund Balance 31st March 2025 (Q2 forecast) – unadjusted</b>	<b>(6,133)</b>

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 2 stage (30th September 2024) – the Council has received £1.297 million and spent £1.131 million, leaving a balance of £4.844 million. The Movement on General Fund Earmarked Reserves is summarised in the table below.

Movement in General Fund Earmarked Reserves (April to September 2024)					
Description	Opening Balance Sheet 01/04/24	Income	Expenditure	Transfers (in)/out	Q1 Balance 30/09/24
	£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	204	0	(604)
<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)	(448)	173	0	(679)
Dig. Innovation Zone (DIZ)	(132)	(80)	44	0	(168)
District Development Fund (DDF)	(215)	0	10	0	(205)
Garden Town	(406)	(18)	66	0	(358)
Homelessness	(515)	(248)	151	0	(612)
Insurance	(150)	0	0	0	(150)
Invest to Save	(114)	0	0	0	(114)
Museum	(110)	0	0	0	(110)
New Burdens	(12)	0	2	0	(10)
North Weald Inland Port	(235)	0	235	0	0
Prosperity Fund	(34)	(451)	201	0	(284)
Staff Benefits Fund	(27)	(13)	1	0	(39)
Other Ongoing Projects	(335)	(39)	29	0	(345)
<b>Totals</b>	<b>(4,678)</b>	<b>(1,297)</b>	<b>1,131</b>	<b>0</b>	<b>(4,844)</b>

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 The Community Projects 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 2 stage, is summarised in the table below. As at 30th September, a £0.337 million overspend is forecast for the year end, with projected Net Operating Income of £1.434 million compared to an overall budget provision of £1.771 million.

<b>HRA Budget 2024/25 (Quarter 2)</b>			
<b>Description</b>	<b>Budget 2024/25</b>	<b>Forecast Spending (30/09/24)</b>	<b>Variance</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
<b>EXPENDITURE</b>			
Supervision & Management (General)	7,615	7,437	(178)
Supervision & Management (Special)	4,751	4,556	(195)
Rents, Rates, Taxes & Insurances	523	522	(1)
Repairs & Maintenance	12,676	14,236	1,560
<b>Management &amp; Maintenance</b>	<b>25,565</b>	<b>26,751</b>	<b>1,186</b>
Capital Charges	10,700	10,700	0
Treasury Management Expenses	68	40	(28)
Provision for Bad/Doubtful Debts	109	100	(9)
<b>Total Expenditure</b>	<b>36,442</b>	<b>37,591</b>	<b>1,149</b>
<b>INCOME</b>			
Dwelling Rents	(41,292)	(41,515)	(223)
Non-Dwellings Rents	(993)	(838)	155
Charges for Services & Facilities	(1,586)	(1,753)	(167)
Contributions from General Fund	(394)	(394)	0
<b>Total Income</b>	<b>(44,265)</b>	<b>(44,500)</b>	<b>(235)</b>
<b>Net Cost of Services</b>	<b>(7,823)</b>	<b>(6,909)</b>	<b>914</b>
Interest on Receipts and Balances	(510)	(337)	173
Interest Payable on Loans	6,562	5,812	(750)
<b>Net Operating Income</b>	<b>(1,771)</b>	<b>(1,434)</b>	<b>337</b>
<i>Appropriations:</i>			
Direct Revenue Contributions to Capital	2,576	2,576	0
<b>(Surplus)/Deficit for Year</b>	<b>805</b>	<b>1,142</b>	<b>337</b>



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.

<b>HRA Budget Reconciliation 2024/25: Quarter 2</b>	
<b>Description</b>	<b>Value (£000's)</b>
<b>(Surplus)/Deficit for Year (approved by full Council 20/02/24)</b>	<b>465</b>
<i>Brought forward project budgets from 2023/24:</i>	
Stock Condition Survey	190
“More than Bricks and Mortar” Estate Improvement Scheme	150
<b>Total Budget Additions (@ Quarter 2)</b>	<b>340</b>
<b>(Surplus) / Deficit for Year (updated Budget 2024/25 @ Quarter 2)</b>	<b>805</b>

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

- **Repairs and Maintenance (1.560 million forecast Overspend)** – there are two significant items contributing to this overspend; firstly, the expectation of further exceptional Void works in some properties (£611,000) and secondly, the increased cost of general repairs due to higher than anticipated material and labour costs (£935,000)
- **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 (£0.223 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).

<b>Movement on HRA Balance: Quarter 2 2024/25</b>	
<b>Description</b>	<b>£000's</b>
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 Q2 (Para 4.1)	337
<b>HRA Balance 31st March 2025 (Q2 Forecast)</b>	<b>(3,655)</b>

## 5) General Fund Capital Programme

5.1 The General Fund Capital Programme for 2024/25 as at 30th September 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 6 months was £16.691 million, with a forecast outturn of £52.596 million, which – if this materialises – would lead to an underspend of £1.766 million.

General Fund Capital Programme 2024/25 (Quarter 2)					
Description	Budget 2024/25 (Updated)	Spending (@ 30 Sept 2024)	Remaining Budget (@ 30 Sept 2024)	Forecast Spending (31/03/25)	Variance (Under) / Over
	£000's	£000's	£000's	£000's	£000's
Contracts, Partnerships & Procurement	25,985	5,752	20,233	27,943	1,958
Regulatory Services	1,533	436	1,097	1,350	(183)
ICT & Transformation	4,861	259	4,602	2,713	(2,148)
Customer & Communities	1,244	94	1,150	1,154	(90)
Housing (Property Services)	839	50	789	786	(53)
Qualis Loans	19,900	<b>10,100</b>	<b>9,800</b>	18,650	(1,250)
<b>Total Expenditure</b>	<b>54,362</b>	<b>16,691</b>	<b>37,671</b>	<b>52,596</b>	<b>(1,766)</b>
<i>Capital Financing:</i>					
Capital Grants	1,801	771	1,030	1,829	28
Capital Receipts	1,655	145	1,510	4,232	2,577
Borrowing	50,906	<b>15,775</b>	<b>35,131</b>	46,535	(4,371)
<b>Total Financing</b>	<b>54,362</b>	<b>16,691</b>	<b>37,671</b>	<b>52,596</b>	<b>(1,766)</b>

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 2 stage. The table below reconciles the movement.

<b>General Fund Capital Budget Reconciliation 2024/25: Quarter 2</b>	
<b>Description</b>	<b>Value (£000's)</b>
<b>General Fund Capital Budget 2024/25 (full Council 20/02/24)</b>	<b>32,178</b>
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
<b>UPDATED General Fund Capital Budget 2024/25 (@ 30/09/24)</b>	<b>54,362</b>

5.3 There are two dominant areas of underspending/slippage on the General Fund Capital Programme at the Quarter 2 stage:

- ***ICT & Transformation (£2.148 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 £2.553 million, which if this materialises, would lead to an underspend of £2.021 million. Following an initial review of the ICT Strategy, some schemes will not proceed including an Innovation Tool (£250,000), a new Telephony System (£200,000) and a Cloud-Based Revenues and Benefits System (£151,000). A range of other schemes have been put on hold and are not expected to commence until 2025/26. These include the Digital Strategy (£250,000), an ICT Network Revamp and Switch Replacement Project (£191,000), a Virtual Desktop Infrastructure (VDI) Solution (£160,000), an ICT Storage Solution (£117,000), an ICT Workplace Collaboration (£75,000) and a Policy Management Meta Compliance and Consultation Tool (£50,000); and
- ***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.

5.4 Additional capital spending of £1.958 million on the Contracts, Partnerships and Procurement service area is also projected for 2024/25 at the Quarter 2 stage. Thus:

- ***North Weald Control Tower (£1.625 million forecast 'Overspend')*** – spending on the North Weald Control Tower project is ahead of schedule, with a forecast outturn of £3.480 million anticipated for this year. Although this is £1.625 million above the profiled budget for 2024/25, a compensating underspend is expected to accrue in 2025/26 (bringing the project in within the overall budget envelope of £5.755 million). Spending is also marginally ahead of schedule on the new Epping Leisure Facility (impact £0.768 million).

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

6.1 The Housing Revenue Account (HRA) Capital Programme for 2024/25 as at 30th September 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 6 months was £8.176 million, with a forecast outturn of £44.018 million, which – if this materialises – would lead to an underspend of £12.035 million.

HRA Capital Programme 2024/25 (Quarter 2)					
Description	Budget 2024/25 (Updated)	Spending (@ 30 Sept 2024)	Remaining Budget (@ 30 Sept 2024)	Forecast Spending (31/03/25)	Variance (Under) / Over
	£000's	£000's	£000's	£000's	£000's
Housing Development	22,083	3,237	18,846	16,846	(5,237)
Capital Works	29,871	4,246	25,625	23,643	(6,228)
Other Housing Schemes	4,099	693	3,406	3,529	(570)
<b>Total Expenditure</b>	<b>56,053</b>	<b>8,176</b>	<b>47,877</b>	<b>44,018</b>	<b>(12,035)</b>
<i>Capital Financing:</i>					
Grants	180	80	100	180	0
Capital Receipts	4,693	2,812	1,881	9,838	5,145
Major Repairs Reserve	10,700	5,284	5,416	15,357	4,657
Direct Revenue Contributions	2,576	0	2,576	2,576	0
Borrowing	37,904	0	37,904	16,067	(21,837)
<b>Total Financing</b>	<b>56,053</b>	<b>8,176</b>	<b>47,877</b>	<b>44,018</b>	<b>(12,035)</b>

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 two significant areas of underspending/slippage on the HRA Capital Programme at the Quarter 2 stage:

- **Capital Works (£6.228 million Underspend)** – there are numerous schemes contributing to the anticipated underspend, although two are especially significant. Firstly, Structural Works (£1.920 million) which is predominantly demand-led resulting in only ad hoc and urgent works being undertaken. And secondly, the Windows, Doors, and Roofing Programmed Works (£3.378 million) which has seen delays due to the comprehensive Fire Risk Assessments and Compartmentalisation Surveys currently taking place (the results of which will inform the level of remedial compliance works needed); and

- **Housing Development (£5.237 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 £2.363 million, which – if it materialises – would lead to an underspend of £5.198 million. Two schemes, Ladyfields and Chequers B, have encountered planning issues and delays, with expected starts on site now being towards the end of the financial year. However, two schemes, at Pentlow Way and Woollard Street are in the final stages of completion.

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 £21.837 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 2 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%	<b>84%</b>	77%	84%	N/A	81%	80%	N/A
Average Days to Pay an Invoice	36	20	21	32	25	<b>25</b>	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 30 months. Performance in Quarter 2 is the same compared to the same stage in 2023/24; it is also 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 2 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	<b>830</b>	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	<b>£3.710</b>	£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 on the Average Age of Outstanding Sundry Debt, with the table above showing that it has now fallen to 830 Days (compared to 1,408 Days at the same stage last year). The Total Value of Debt Outstanding over 60 Days Old still remains a challenge though and is a high priority area for improvement. A further update on progress will be presented to the Committee at the Quarter 3 stage.

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 for Council Tax and Business Rates in Quarter 2.

<b>Local Tax Collection Rates 2024/25 (Quarter 2)</b>			
	<b>30th Sept 2022</b>	<b>30th Sept 2023</b>	<b>30th Sept 2024</b>
Council Tax collected (%)	52.42%	52.30%	52.54%
Business Rates collected (%)	57.89%	53.18%	55.22%

7.2.9 The table above shows that 2024/25 continues in a positive vein, with the ‘post-pandemic’ improvement in Council Tax collection rates continuing at this (Q2) 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 (Q2)	2025/26 Budget	2026/27 Budget
	£000's	£000's	£000's	£000's
General Fund (GF)	8,594	33,946	19,013*	2,389*
Qualis Investments (GF)	28,275	18,650	2,030*	0*
Housing Revenue Account	18,293	44,018	34,576*	19,220*
<b>TOTALS</b>	<b>55,162</b>	<b>96,614</b>	<b>55,619*</b>	<b>21,609*</b>

\*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 (Q2)	2025/26 Budget	2026/27 Budget
	£M's	£M's	£M's	£M's
General Fund (including Qualis Investments)	188.9	231.5	240.2*	236.1*
Housing Revenue Account	154.6	170.5	191.2*	192.6*
<b>TOTAL CFR</b>	<b>343.5</b>	<b>402.0</b>	<b>431.4*</b>	<b>428.7*</b>

\*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 marginal decrease compared to the CFR budget estimate for 2024/25 included in the Capital Strategy (formulated in January 2024), with a Quarter 2 forecast (as at 30th September 2024) of £402.0 million (compared to the Capital Strategy estimate of £404.1 million).

### Gross Debt and the Capital Financing Requirement

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

Description	2023/24 Actual	2024/25 Forecast (Q2)	2025/26 Budget	2026/27 Budget	Actual Debt (30/09/24)
	£M's	£M's	£M's	£M's	£M's
Outstanding Debt (including leases)	253.1	253.2	261.5*	256.9*	255.7
Capital Financing Requirement (CFR)	343.5	402.0	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	Q2 2024/25 Maximum	30/09/24 Actual	Operational Boundary 2024/25	Authorised Limit 2024/25	Complied? (Yes/No)
	£000's	£000's	£000's	£000's	£000's
Borrowing	255,977	255,977	415,621*	425,621*	Yes
PFI and Finance Leases	0	0	0	0	Yes
<b>Total Debt</b>	<b>255,977</b>	<b>255,977</b>	<b>415,621*</b>	<b>415,621*</b>	<b>Yes</b>

\*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 (Q2)	2025/26 Budget	2026/27 Budget
	£000's	£000's	£000's	£000's
Total Net Income from Service and Commercial Investments	11,135	<b>11,672</b>	12,481*	12,702*
Proportion of Net Revenue Stream	64%	<b>66%</b>	69%*	69%*

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

7.3.11 The 66% forecast for 2024/25 compares to an expectation of 68% in the Capital Strategy. Income expectations from Commercial Investments have been stable in Quarter 2, which has combined with a small budget surplus forecast, with the net effect being a 2% (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 (Q2)	2025/26 Budget	2026/27 Budget
	£000's	£000's	£000's	£000's
Financing Costs	3,653	1,917	3,838*	4,599*
Proportion of Net Revenue Stream (Standard CIPFA Indicator)	21%	11%	21%*	25%*
<b>Proportion of Net Revenue Stream (Local Indicator)</b>	<b>12%</b>	<b>6%</b>	<b>12%*</b>	<b>12%*</b>

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

7.3.14 Members should note the (Quarter 1) 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 (Q2)
	Ratio	Ratio	Ratio
Loan to Value	0.19	0.19	0.22
<b>Target Maximum (LTV)</b>	<b>0.70</b>	<b>0.70</b>	<b>0.70</b>

*\*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 (Q2)
	Ratio	Ratio	Ratio
HRA Interest Cover	0.92	1.24*	<b>1.19</b>
<b>Target Minimum (IC)</b>	<b>1.25</b>	<b>1.25*</b>	<b>1.25</b>

*\*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 has fallen marginally below the target minimum set by the Council due to substantial repair costs (general and voids) increasing the Net Cost of Service forecast. It is, however, an improvement on the outturn for 2023/24 (which was also impacted by higher repairs and void costs).

### **Reason for Decision:**

This report facilitates the scrutiny of the Council's financial position for 2024/25 and will be considered by the Overview and Scrutiny Committee on 19th November 2024.

### **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.

### **Scrutiny Comments**

The comments of the Overview and Scrutiny Committee on 19th November 2024 will be recorded and presented to the Cabinet meeting on 9<sup>th</sup> December 2024 for consideration.

### **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 6)

**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.

**Equality:**

Equality Impact Assessments are considered where appropriate in developing initial budget proposals. This is a monitoring report, reporting on budget progress, and is for noting only.

## General Fund Revenue Budget 2024/25

## Quarter 2 Forecast

Epping Forest DC: General Fund Revenue Budget 2024/25							
@ 30 September 2024 (Month 6)							
General Fund							
Service Area	Activity	Net Expenditure					
		Full Year Budget £'s	Budget (M6) £'s	Actual (M6) £'s	Variance £'s	Forecast £'s	Variance £'s
Audit	Internal Audit	312,490	156,245	154,524	- 1,721	312,877	387
	<b>Sub-Total</b>	<b>312,490</b>	<b>156,245</b>	<b>154,524</b>	<b>- 1,721</b>	<b>312,877</b>	<b>387</b>
Chief Executive	Chief Exec & Strategic Directors	628,390	314,195	306,885	- 7,310	725,540	97,150
	<b>Sub-Total</b>	<b>628,390</b>	<b>314,195</b>	<b>306,885</b>	<b>- 7,310</b>	<b>725,540</b>	<b>97,150</b>
Contracts, Partnerships & Procurement	Commercial & Corporate Operations	- 8,800,040	- 4,400,020	- 4,133,507	266,513	- 8,970,894	- 170,854
	Contracts & Procurement	485,840	242,920	214,302	- 28,618	488,283	2,443
	Grounds Maintenance	1,677,220	838,610	720,341	- 118,269	1,800,828	123,608
	Leisure & Car Parking	- 1,663,060	- 831,530	- 971,194	- 139,664	- 1,767,434	- 104,374
	Operational Assets	187,550	93,775	162,982	- 69,207	188,250	700
	Waste	8,372,160	4,186,080	3,668,191	- 517,889	8,443,986	71,826
	<b>Sub-Total</b>	<b>259,670</b>	<b>129,835</b>	<b>- 338,885</b>	<b>- 468,720</b>	<b>183,020</b>	<b>- 76,650</b>
	<b>Corporate Services</b>	Business Support	1,481,528	740,764	614,027	- 126,737	1,467,698
	Communications	362,310	181,155	204,246	23,091	418,838	56,528
	Democratic & Member Services	884,990	442,495	431,702	- 10,793	882,019	- 2,971
	Health, Safety & Business Continuity	82,770	41,385	35,188	- 6,197	80,451	- 2,319
	Human Resources	1,096,420	548,210	424,709	- 123,501	1,067,803	- 28,617
	Legal Services	402,910	201,455	199,255	- 2,200	430,372	27,462
	Other Support Services	382,420	191,210	153,277	- 37,933	340,390	- 42,030
	<b>Sub-Total</b>	<b>4,693,348</b>	<b>2,346,674</b>	<b>2,062,404</b>	<b>- 284,270</b>	<b>4,687,571</b>	<b>- 5,777</b>
Customer & Communities	Community & Wellbeing	120,990	60,495	- 43,640	- 104,135	262,881	141,891
	Community Development & Wellbeing	30,750	15,375	- 47,796	- 63,171	30,390	- 360
	Customer & Communities	1,203,870	601,935	311,005	- 290,930	1,091,691	- 112,179
	Customer Services	706,770	353,385	335,099	- 18,286	666,208	- 40,562
	Economic Development	340,620	170,310	89,488	- 80,822	190,610	- 150,010
	<b>Sub-Total</b>	<b>2,403,000</b>	<b>1,201,500</b>	<b>644,156</b>	<b>- 557,344</b>	<b>2,241,780</b>	<b>- 161,220</b>
Finance	Finance	1,836,672	918,336	619,243	- 299,093	1,864,826	28,154
	Insurance	801,720	400,860	747,427	346,567	736,577	- 65,143
	Payment Solutions	333,100	166,550	152,964	- 13,586	333,445	345
	<b>Sub-Total</b>	<b>2,971,492</b>	<b>1,485,746</b>	<b>1,519,634</b>	<b>33,888</b>	<b>2,934,848</b>	<b>- 36,644</b>
Housing & Property	Corporate Property	1,770,770	885,385	826,043	- 59,342	1,735,908	- 34,862
	Homelessness	106,670	53,335	- 593,003	- 646,338	98,078	- 8,592
	<b>Sub-Total</b>	<b>1,877,440</b>	<b>938,720</b>	<b>233,040</b>	<b>- 705,680</b>	<b>1,833,986</b>	<b>- 43,454</b>
ICT & Transformation	Continuous Improvement	180,000	90,000	-	- 90,000	180,000	-
	ICT	3,662,510	1,831,255	2,079,072	247,817	3,291,215	- 371,295
	PMO	674,090	337,045	484,189	147,144	597,753	- 76,337
	<b>Sub-Total</b>	<b>4,516,600</b>	<b>2,258,300</b>	<b>2,563,261</b>	<b>304,961</b>	<b>4,068,968</b>	<b>- 447,632</b>
Planning & Development	Building Control	259,590	129,795	54,220	- 75,575	270,575	10,985
	Development Management	- 243,764	- 121,882	- 228,489	- 106,607	301,573	545,337
	Policy & Implementation	1,090,994	545,497	- 184,383	- 729,880	1,068,207	- 22,787
	<b>Sub-Total</b>	<b>1,106,820</b>	<b>553,410</b>	<b>- 358,652</b>	<b>- 912,062</b>	<b>1,640,355</b>	<b>533,535</b>
Regulatory Services	Arboricultural	156,260	78,130	114,071	35,941	142,059	- 14,201
	Community Resilience	1,012,860	506,430	448,016	- 58,414	990,575	- 22,285
	Countrycare	63,220	31,610	23,219	- 8,391	65,802	2,582
	Environmental Health	506,130	253,065	175,131	- 77,934	478,992	- 27,138
	Environmental Protection & Drainage	818,640	409,320	338,418	- 70,902	815,277	- 3,363
	Fleet	152,150	76,075	46,709	- 29,366	114,973	- 37,177
	Highway Rangers	226,060	113,030	38,250	- 74,780	191,976	- 34,084
	Licensing	102,400	51,200	58,028	6,828	100,005	- 2,395
	Licensing Team	- 10,240	- 5,120	- 7,610	- 2,490	10,240	-
	Public Sector Housing & Grants	218,900	109,450	95,379	- 14,071	198,835	- 20,065
	Regulatory Services	139,120	69,560	91,500	21,940	132,884	- 6,236
	<b>Sub-Total</b>	<b>3,385,500</b>	<b>1,692,750</b>	<b>1,421,111</b>	<b>- 271,639</b>	<b>3,221,138</b>	<b>- 164,362</b>
	Strategic Projects	Revenues & Benefits	848,360	424,180	1,367,302	943,122	933,847
<b>Sub-Total</b>		<b>848,360</b>	<b>424,180</b>	<b>1,367,302</b>	<b>943,122</b>	<b>933,847</b>	<b>85,487</b>
<b>General Fund Total</b>		<b>23,003,110</b>	<b>11,501,555</b>	<b>9,574,780</b>	<b>- 1,926,775</b>	<b>22,783,930</b>	<b>- 219,180</b>
	<b>Qualis Income</b>	- 2,952,690	-	-	-	- 2,771,881	180,809
	<b>HRA Recharges</b>	- 4,542,140	-	-	-	- 4,554,650	12,510
	<b>Financing</b>						
	Interest (exc. Qualis):						
	Interest Receivable	- 2,580,000	-	-	-	- 2,788,135	208,135
	Interest Payable	1,637,160	-	-	-	1,874,011	236,851
	Minimum Revenue Provision	1,306,000	-	-	-	1,197,000	- 109,000
<b>General Fund (Net Expenditure)</b>		<b>15,871,440</b>	<b>11,501,555</b>	<b>9,574,780</b>	<b>- 1,926,775</b>	<b>15,740,275</b>	<b>- 131,165</b>

## General Fund Capital Programme 2024/25

## Quarter 2 Forecast

General Fund Capital Programme 2024/25: Quarter 2 Forecast										
Scheme	2023/24 Budget Outturn			2024/25 Budget			2024/25 Budget Progress (@ 30 September 2024 - Q2)			
	2023/24 Unspent / (Overspent) Balances	(Savings) / Overspends not of fwd	Balances Rolled Forward into 2024-25	2024/25 Budget Allocation	Q1 + Q2 Changes	2024/25 Budget (Updated)	Actuals to Q2	Remaining Budget	Forecast Outturn 2024/25	Forecast (Unspent)/ Overspend 2024/25
	£'	£'	£'	£'	£'	£'	£'	£'	£'	£'
<b>Contracts, Partnerships &amp; Procurement</b>										
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	13,466	122,774	100,000	(36,240)
NWA Waste Depot	3,969,680	-	3,969,680	-	1,733,000	5,702,680	256,476	5,446,204	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	3,480,000	1,625,080
Grounds Maintenance	29,270	-	29,270	30,000	-	59,270	-	59,270	59,270	-
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	5,169,271	12,013,899	17,950,830	767,660
<b>Sub-Totals</b>	<b>22,886,290</b>	<b>(9,619,360)</b>	<b>13,266,930</b>	<b>9,830,000</b>	<b>2,887,920</b>	<b>25,984,850</b>	<b>5,751,792</b>	<b>20,233,058</b>	<b>27,942,780</b>	<b>1,957,930</b>
<b>Regulatory Services</b>										
CCTV Replacement Programme	1,470	(1,470)	-	40,000	56,830	96,830	9,613	87,217	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	58,273	117,037	112,770	(62,540)
Disabled Facilities Grants (REFCUs)	971,210	(971,210)	-	971,210	-	971,210	367,793	603,417	1,000,000	28,790
Home Assist Grants (REFCUs)	30,000	(30,000)	-	30,000	-	30,000	-	30,000	30,000	-
<b>Sub-Totals</b>	<b>1,417,750</b>	<b>(1,007,880)</b>	<b>409,870</b>	<b>1,066,210</b>	<b>56,830</b>	<b>1,532,910</b>	<b>435,679</b>	<b>1,097,231</b>	<b>1,349,600</b>	<b>(183,310)</b>
<b>ICT &amp; Transformation</b>										
ICT General Schemes	193,800	-	193,800	93,000	-	286,800	21,096	265,704	160,070	(126,730)
ICT Strategy	3,602,720	-	3,602,720	971,000	-	4,573,720	238,138	4,335,582	2,552,492	(2,021,228)
<b>Sub-Totals</b>	<b>3,796,520</b>	<b>-</b>	<b>3,796,520</b>	<b>1,064,000</b>	<b>-</b>	<b>4,860,520</b>	<b>259,234</b>	<b>4,601,286</b>	<b>2,712,562</b>	<b>(2,147,958)</b>
<b>Customer &amp; Communities</b>										
Council Chamber AV Upgrade	94,430	-	94,430	-	-	94,430	-	94,430	5,000	(89,430)
UK Prosperity Fund Projects	161,780	(161,780)	-	-	472,530	472,530	93,636	378,894	472,530	-
Climate & Environmental Projects	676,980	-	676,980	-	-	676,980	-	676,980	676,980	-
<b>Sub-Totals</b>	<b>933,190</b>	<b>(161,780)</b>	<b>771,410</b>	<b>-</b>	<b>472,530</b>	<b>1,243,940</b>	<b>93,636</b>	<b>1,150,304</b>	<b>1,154,510</b>	<b>(89,430)</b>
<b>Housing (Property Services)</b>										
Investment Properties (Planned Works)	202,800	(25,000)	177,800	250,000	-	294,800	-	294,800	-	(294,800)
EFDC Shopping Park car park reconfiguration	-	-	-	-	-	90,000	-	90,000	90,000	-
NWA Cabling work to IP's	-	-	-	-	-	33,000	29,881	3,119	33,000	-
Roundhills shops IP parking area	-	-	-	-	-	10,000	7,756	2,244	10,000	-
202-220 Loughton HR - roof and H & S works	21,820	-	21,820	-	-	21,820	2,444	19,376	21,820	-
Debdon Broadway Regeneration Scheme	-	-	-	-	-	-	-	-	500,000	500,000
Operational Properties (Planned Works)	324,780	(2,950)	321,830	68,000	-	389,830	9,540	380,290	131,380	(258,450)
<b>Sub-Totals</b>	<b>549,400</b>	<b>(27,950)</b>	<b>521,450</b>	<b>318,000</b>	<b>-</b>	<b>839,450</b>	<b>49,621</b>	<b>789,829</b>	<b>786,200</b>	<b>(53,250)</b>
<b>Quais</b>										
Regeneration Finance Loans	88,247,500	(88,247,500)	-	19,900,000	-	19,900,000	10,100,000	9,800,000	18,650,000	(1,250,000)
<b>Sub-Totals</b>	<b>88,247,500</b>	<b>(88,247,500)</b>	<b>-</b>	<b>19,900,000</b>	<b>-</b>	<b>19,900,000</b>	<b>10,100,000</b>	<b>9,800,000</b>	<b>18,650,000</b>	<b>(1,250,000)</b>
<b>Total Expenditure</b>	<b>117,830,650</b>	<b>(99,064,470)</b>	<b>18,766,180</b>	<b>32,178,210</b>	<b>3,417,280</b>	<b>54,361,670</b>	<b>16,689,962</b>	<b>37,671,708</b>	<b>52,595,652</b>	<b>(1,766,018)</b>
<b>Capital Financing Analysis:</b>										
Capital Grants	-	-	-	971,210	829,360	1,800,570	771,042	1,029,528	1,829,360	28,790
Capital Receipts	-	-	-	800,480	854,920	1,655,400	145,238	1,510,162	4,232,010	2,576,610
Borrowing	117,830,650	(99,064,470)	18,766,180	30,406,520	1,733,000	50,905,700	15,773,682	35,132,018	46,534,282	(4,371,418)
<b>Total Financing</b>	<b>117,830,650</b>	<b>(99,064,470)</b>	<b>18,766,180</b>	<b>32,178,210</b>	<b>3,417,280</b>	<b>54,361,670</b>	<b>16,689,962</b>	<b>37,671,708</b>	<b>52,595,652</b>	<b>(1,766,018)</b>



## Housing Revenue Account Capital Programme 2024/25

## Quarter 2 Forecast

HRA Capital Programme 2024/25: Quarter 2 Forecast										
	2023/24 Budget Outturn (extract)			2024/25 Budget			2024/25 Budget Progress (@ 30 September 2024 - Q2)			
	2023/24 Unspent/ (Overspent) Balances	(Savings)/ Overspends not c/fwd	Balances Rolled Forward into 2024/25	2024/25 Budget Allocation	Q1 & Q2 Changes	24/25 Budget (Updated)	Actuals to (Q2)	Remaining Budget	Forecast Outturn	Forecast (Uspend)/Ospend
Schemes	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s
<b>Housing Development Programme:</b>										
Housebuilding	12,448,700	(10,388,500)	2,060,200	5,501,000	-	7,561,200	424,860	7,136,340	2,363,520	(5,197,680)
Qualis Acquisitions	19,420,913	(10,920,913)	8,500,000	6,022,000	-	14,522,000	2,811,750	11,710,250	14,482,080	(39,920)
Development Land Purchases	466,410	(466,410)	-	-	-	-	-	-	-	-
<b>Sub-Totals</b>	<b>32,336,024</b>	<b>(21,775,824)</b>	<b>10,560,200</b>	<b>11,523,000</b>	<b>-</b>	<b>22,083,200</b>	<b>3,236,610</b>	<b>18,846,590</b>	<b>16,845,600</b>	<b>(5,237,600)</b>
<b>Capital Works:</b>										
Heating	711,273	(459,953)	251,320	2,552,510	-	2,803,830	752,780	2,051,050	2,898,370	94,540
Windows, Door and Roofing	4,156,291	(1,170,291)	2,986,000	2,602,890	-	5,588,890	453,508	5,135,382	2,210,990	(3,377,900)
Compliance Planned Maintenance	557,653	(487,903)	69,750	1,803,620	(878,650)	994,720	26,790	967,930	792,100	(202,620)
Kitchens & Bathrooms (inc void allocation)	3,098,332	(2)	3,098,330	4,192,470	-	7,290,800	1,373,983	5,916,817	7,446,080	155,280
Electrical	1,577,017	(215,107)	1,361,910	1,734,380	-	3,096,290	83,346	3,012,944	2,756,130	(340,160)
Net Zero Carbon Works	2,448,159	1	2,448,160	1,500,000	-	3,948,160	851,233	3,096,927	4,011,950	63,790
Environmental	921,726	(643,726)	278,000	884,380	-	1,162,380	-	1,162,380	594,950	(567,430)
Structural works	991,804	(579,544)	412,260	1,805,550	878,650	3,096,460	300,768	2,795,692	1,176,570	(1,919,890)
Disabled Adaptations	(56,545)	(5)	(56,550)	1,081,160	-	1,024,610	377,119	647,491	1,067,130	42,520
Asbestos Removal	174,818	(174,818)	-	328,380	-	328,380	26,696	301,684	152,160	(176,220)
Estate Improvements	95,870	(95,870)	-	-	-	-	-	-	-	-
SCS Unsurveyed Blocks	-	-	-	536,400	-	536,400	-	536,400	536,400	-
<b>Sub-Totals</b>	<b>14,676,398</b>	<b>(3,827,218)</b>	<b>10,849,180</b>	<b>19,021,740</b>	<b>-</b>	<b>29,870,920</b>	<b>4,246,222</b>	<b>25,624,698</b>	<b>23,642,830</b>	<b>(6,228,090)</b>
<b>Regeneration Projects:</b>										
Limes Avenue and Copperfield	818,745	(476,305)	342,440	-	-	342,440	286,332	56,108	100,000	(242,440)
Broadway	2,693,397	(2,693,397)	-	1,000,000	-	1,000,000	-	1,000,000	1,000,000	-
<b>Sub-Totals</b>	<b>3,512,142</b>	<b>(3,169,702)</b>	<b>342,440</b>	<b>1,000,000</b>	<b>-</b>	<b>1,342,440</b>	<b>286,332</b>	<b>1,056,108</b>	<b>1,100,000</b>	<b>(242,440)</b>
<b>Other Housing Schemes:</b>										
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	67,006	205,444	272,450	-
Service Enhancements (HFFHH)	154,000	-	154,000	164,320	-	318,320	106,434	211,886	318,320	-
Door Replacement Programme (Leasehold)	233,540	-	233,540	-	-	233,540	50,000	183,540	100,000	(133,540)
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	183,269	579,931	763,200	-
Sheltered Housing Works	398,627	(304,837)	93,790	111,710	-	205,500	-	205,500	205,500	-
<b>Sub-Totals</b>	<b>1,913,146</b>	<b>(799,366)</b>	<b>1,113,780</b>	<b>1,542,260</b>	<b>80,000</b>	<b>2,736,040</b>	<b>406,709</b>	<b>2,329,331</b>	<b>2,409,470</b>	<b>(326,570)</b>
<b>Vehicle Replacements</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,000</b>	<b>20,000</b>	<b>-</b>	<b>20,000</b>	<b>20,000</b>	<b>-</b>
<b>Total Expenditure</b>	<b>52,437,709</b>	<b>(29,572,109)</b>	<b>22,865,600</b>	<b>33,087,000</b>	<b>100,000</b>	<b>56,052,600</b>	<b>8,175,873</b>	<b>47,876,727</b>	<b>44,017,900</b>	<b>(12,034,700)</b>
<b>Capital Financing Analysis:</b>										
Grants	(506,350)	506,350	-	80,000	100,000	180,000	80,000	100,000	180,000	-
Capital Receipts	364,819	(364,819)	-	4,693,000	-	4,693,000	2,811,750	1,881,250	9,837,800	5,144,800
Major Repairs Reserve	(5,998,939)	5,998,939	-	10,700,000	-	10,700,000	5,284,123	5,415,877	15,357,000	4,657,000
Direct Revenue Contributions	1,364,000	(1,287,000)	77,000	2,499,000	-	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	16,067,100	(21,836,500)
<b>Total Financing</b>	<b>52,437,709</b>	<b>(29,572,109)</b>	<b>22,865,600</b>	<b>33,087,000</b>	<b>100,000</b>	<b>56,052,600</b>	<b>8,175,873</b>	<b>47,876,727</b>	<b>44,017,900</b>	<b>(12,034,700)</b>