

23 November 2021

Report of	Assistant Director Corporate and Improvement	Author	Darren Brown 📞 282891
Title	Financial Monitoring Report – April to September 2021		
Wards affected	Not applicable		

1. Executive Summary

- 1.1 This report gives the Committee the opportunity to hold Service Managers and Portfolio Holders accountable for their budgets. The financial position is summarised as follows:-
 - The General Fund is showing a net underspend against services of £1,396k as at period 6. This includes less expenditure of £400k and more income of £996k, compared to profiled budgets.
 - The current forecast outturn position for the General Fund is a net underspend of £799k, assuming the agreed use of reserves of £2.4m in the budget.
 - The Housing Revenue Account is showing a net underspend of £371k as at period 6 and is forecast to be on budget at the year-end.
- 1.2 Assistant Directors and their budget holders have undertaken a thorough review of the financial position for their services, which is reflected in this report. In addition, SMT continues to monitor the budget position on a monthly basis. The next report to the Committee will consider the position after 9 months.
- 1.3 Given the forecast outturn underspend on the General Fund of £799k, this would mean we would need to use less reserves than originally agreed in the budget, to deliver an on-budget year end position.
- 1.4 As committed at the 7 September 2021 Governance and Audit Committee meeting this monitoring report now includes:
 - 1.4.1 An analysis of Department of Levelling Up Housing and Communities income loss grant claimed.
 - 1.4.2 Information on the confidence limits of income forecasts

2. Action required

- 2.1 The Committee is asked to consider the financial performance of General Fund Services and the Housing Revenue Account (HRA) for the first six months of 2021/22, and to note the forecast budget underspend of £799k on the General Fund and that this would necessitate less reserves being used to deliver an on-budget year-end position than originally assumed.

3. Reason for scrutiny

- 3.1 Monitoring of financial performance is important to ensure that:
- Service expenditure remains within cash-limited budgets.
 - Potential variances at year-end are identified early so that remedial action can be taken to recover the position or 'recycle' any surplus budgets.
 - Performance targets are being met.
- 3.2 This report also gives the committee the opportunity to hold Service Managers and Portfolio Holders accountable for their budgets.

4. Background

- 4.1 This report reviews the Council's overall position based on profiled income and expenditure for the six months to 30 September 2021, and also shows a projection of the outturn figures for the full year. All the information presented in respect of General Fund Services shows the position based on net 'direct costs'. The review of the Housing Revenue Account is different in that it shows all costs, both direct and indirect.

Summary Position

- 4.2 The projected outturn for the General Fund is currently a net underspend of £799k, assuming the agreed use of reserves of £2.4m in the budget. The Housing Revenue Account forecast outturn position is currently to be on budget.
- 4.3 The General Fund position is set out in more detail in the following paragraphs and the HRA position explained in paragraphs 4.20 to 4.24. Budgets carried forward from 20/21 are now included in the schedules within this report, and as such will be monitored as part of the overall position.

General Fund – Position to 30 September 2021

Service Budgets

- 4.4 Appendix A shows the current budget variances and forecast outturn variances by Service Group. The net position shows a variance against profiled budget for General Fund Services (excluding Benefits, NEPP & JMC) of £1,396k (favourable). This comprises total expenditure being £400k lower than expected and total income being £996k higher than expected. Appendix B breaks these variances down by subjective group.

Income

- 4.5 Income to the Council is below profiled budgets in a number of areas to date, but most notably in Bereavement and Museums. However, income levels are above profiled budgets within Sport and Leisure, Domestic Waste, Parking and Land Charges.

Expenditure

- 4.6 There are underspends against profiled budgets in a number of services areas, predominantly within premises and transport costs. This can be as a result of profiling of budgets as well as timing of expenditure.
- 4.7 Benefits payments are not shown in Appendix A & B to avoid distorting the reported position for Service Groups. It is currently projected that this area will be on budget at year end, when the final subsidy claim is paid. Furthermore, NEPP and JMC variances are not included in the Appendix A & B totals, given these areas are ring-fenced and are reported to the relevant joint committee.

Outturn Forecast / Risk Areas

- 4.8 This is the second formal review this year of the 2021/22 budget position, and the current forecast outturn is a net underspend of £799k, assuming the agreed use of reserves of £2.4m in the budget.

	£'000	
Service budgets	144	See paras. 4.9, 4.10 and Appendix C
Technical / Corporate Items	(943)	
Potential net underspend	(799)	

Service Budgets

- 4.9 The following table sets out the forecast outturn for all service areas, with outturn variances. This shows a net forecast overspend of £144k. The largest areas contributing to the net position are;

- Community: A shortfall in Museums income of £96k and Bereavement income of £115k.
- Neighbourhood Services: £175k pressure due to the vacancy factor target potentially not being met, £429k net overspend on agency/employee costs, £125k pressure relating to Hythe Quay wall repairs, £74k saving on contractor costs, £498k more paper collection/recycling income, £80k loss of income in trade waste, and a shortfall in Market and Beach Hut income of £166k.
- Place & Client: £86k more planning income, £111k Amphora dividend forecast in line with the business plan, and £363k more net income from Sport and Leisure.
- Customer: £73k more land charges income.
- Corporate & Improvement: £50k employees pressure in Governance and £50k for members equipment (hire costs for streaming committee meetings), and £79k less travel plan parking income.
- £100k more income forecast from the Council Tax Sharing Agreement.

Service	Forecast outturn		
	<i>Expenditure</i>	<i>Income</i>	<i>Net</i>
	£'000	£'000	£'000
Corporate & Improvement (incl. CDC)	134	(36)	98
EMT (including additional Coronavirus costs)	(8)	-	(8)
Community	(7)	191	184
Customer	32	(70)	(38)
Environment	746	(246)	500
Place & Client	(196)	(396)	(592)
Total all services	701	(557)	144

Appendix C

- 4.10 Appendix C shows the original budget, the outturn forecast and variance. The purpose of this table is to bring together the overall revenue budget and show the impact of Government support and the required use of reserves.
- 4.11 As shown, the 21/22 budget includes a use of reserves to support covid of £2.4million and to balance the budget, given the impact of Coronavirus on our income earning services. The budget report agreed at Cabinet on the 13th October 2021 stated that the Head of Finance in consultation with the Deputy Leader and Portfolio Holder for Resources determine the reserves to be used in 2021/22 to fulfil the requirements to meet Covid costs.

- 4.12 The intention is that the use of reserves for covid will be the last source of funding in determining the outturn position, meaning that reserves will be preserved as much as possible. Given the forecast outturn at Period 6 is an underspend of £799k, then our use of reserves would potentially reduce from £2.400million to £1.601million at year-end.

Corporate / Technical Items

- 4.13 The budget includes a number of corporate and technical budget areas such as net interest earnings, the provision to repay debt, pension costs and some non-service specific grants. It is currently forecast that there will be a saving on interest payable of £400k, as we haven't needed to borrow as planned given our higher cash balances and thus the ability to internally borrow. Furthermore, there is a saving of £123k relating to the 21/22 pay award assumptions included in the budget.
- 4.14 The 21/22 budget included an initial estimate of £500k for Sales, Fees & Charges income support from the Government for Quarter 1. Based on the actual Quarter 1 return we have claimed £920k, therefore additional income support of £420k compared to the budget.
- 4.15 As part of the Quarter 1 position reviewed by the Committee for the current financial year, a breakdown of the income received from the Government under the Sales, Fees & Charges income loss support scheme was requested. The table below shows this for each financial year and is shown under the headings required by the Government. As a reminder, 2020/21 net losses claimed were for the full financial year, whereas for 2021/22 we are only able to claim for net losses for the 1st quarter.

Government Category	Income Loss Support Grant Claimed		
	2020/21	2021/22	Notes
	£'000	£'000	
Off-street parking	(1,614)	(236)	
On-street parking	(628)	(146)	
Recreation and Sport	(3,154)	(486)	
Culture and Heritage	(469)	(192)	
Regulatory Services	(101)	(29)	e.g. Licensing, Market & Street Trading
Building Control	(53)	4	
Trade Waste	(79)	6	
Total Grant Claimed	(6,098)	(1,077)	
<i>of which:-</i>			
Retained by CBC	(5,432)	(920)	
Claimed on behalf of NEPP	(628)	(146)	On-Street Parking
Claimed on behalf of CIMS	(38)	(11)	Museums Retail
Total Grant Claimed	(6,098)	(1,077)	

- 4.16 Appendix D sets out details of all forecast variances against service budgets at the year-end totalling £144k. To provide some context on the scale of the variances shown in Appendix D, a percentage value has been included within the comments which shows the proportion of the relevant budget that it represents. For example, an underspend due to vacant posts or the vacancy factor would be expressed as a proportion of the total employees budget for that area.

Summary position and action proposed

- 4.17 The forecast outturn shows a potential net underspend of £799k assuming the agreed use of reserves of £2.4m. The impact of Coronavirus and related economic uncertainty on the Councils finances is continually being reviewed, and therefore further more detailed work will continue to be undertaken during Quarter 3 to ensure forecast outturn positions are robust, including those income areas where they have been particularly impacted by Coronavirus and as recovery progresses and customer behaviour moves towards pre-covid levels.
- 4.18 Assistant Directors and their budget holders have undertaken a thorough review of the financial position for their services, which is reflected in this report. In addition, the Senior Management Team continues to monitor the budget position on a monthly basis. The 9 month position will be reported to this Committee in March.
- 4.19 The Committee has asked for information on confidence levels associated with income predictions, to give a sense of how much volatility is associated with the financial position. It is important to emphasise that all forecasts are the responsibility of the manager who is delivering that service, as they have the information to continuously review what is driving income as the year progresses, such as customer demand and activity, thus enabling increased accuracy as we move through the year. The 21/22 budget already allowed for a significant reduction in income due to the impact of Coronavirus, and it isn't expected this would be higher unless there was a change in Government policy, such as moving the country back into another national lockdown. Clearly that is something that is very difficult to predict, but the forecasts within this report are based on current known Government guidance. As the final outturn is unknown until the end of the financial year, it is very difficult to set a confidence level for forecasts.

Housing Revenue Account

- 4.20 The Housing Revenue Account (HRA) is a ring-fenced account which is affected by a number of variable factors. At the end of September 2021, the HRA is showing a net underspend of £371k compared to the profiled budget for the same period. This is primarily due to lower expenditure on Premises costs of £453k and Supplies and Services of £170k, and £257k less income than budgeted.

Position to date

- 4.21 Premises related costs are showing an underspend of £453k as at the end of September 2021. Overall, there is a net underspend of £104k on Repairs and Maintenance, which primarily relates to the timing of expenditure on repairs and maintenance of pumping stations, Homeless Persons Units and other delegated areas. There are further underspends of £16k on Council Tax on void properties, £85k on Grounds Maintenance budgets and £244k on Utility and Water costs which relate to the timing of expenditure.
- 4.22 Supplies & Services costs are underspent by £170k at the end of September. There is a general underspend across most budget headings, which primarily relate to the timing of expenditure, the main area being IT costs and the new housing management system.
- 4.23 We have received £257k less income at the end of September 2021. This primarily reflects the net impact of rental & service charge income being lost from dwellings and garages than assumed within the budget, through a combination of voids and the level of Right to Buy sales, along with the timing of acquisition and additions to our housing stock.

Forecast Outturn

- 4.24 The HRA is currently forecast to be on budget at the year-end. Any underspend or overspend that occurs in the year will be used to fund a greater/lesser proportion of our Housing Capital Programme through a variation to the Revenue Contribution to Capital.

5. Standard References

- 5.1 Having considered consultation, publicity, equality, diversity and human rights, community safety, and health and safety implications, there are none that are significant to the matters in this report.

6. Strategic Plan References

- 6.1. The priorities within the Strategic Plan are reflected in the Medium-Term Financial Forecast, which makes assumptions regarding government grant/funding and Council Tax income and identifies where necessary savings will be found in order to achieve a balanced budget. The 2021/22 revenue budget was prepared in accordance with the Strategic Plan's priorities, in the context of the Council facing growing financial pressures. Budget monitoring enables the financial performance against these priorities to be assessed.

7. Financial Implications

- 7.1. As set out above.

8. Environmental and Climate Change Implications

- 8.1. All budget measures will be assessed for their likely environmental impact, reflecting the Council's commitment to be 'carbon neutral' by 2030. Environment and Climate Change is an essential cross-cutting theme in the Council's post-Covid recovery planning.

9. Risk Management Implications

- 9.1. Risk management is used throughout the budget cycle, and this is reflected in the strategic risk register. The 2021/22 revenue budget report that was approved by Council in February 2021 took into consideration a number of potentially significant risk areas that had been identified during the budget process. In addition, Assistant Directors identify a number of both positive and negative risk areas during the year.
- 9.2 Extensive modelling work has been undertaken to understand the impacts and variables arising from the crisis.
- 9.3 Leisure and commercial income is very dependent on events beyond the Council's control, including the return of consumer confidence and the pace of recovery.
- 9.4 Modelling has been undertaken with service managers to assess the potential range of impacts before adopting the assumptions reflected within the report.
- 9.5 All the above and other significant uncertainties and risks will have to be managed. Further material change is likely to budget assumptions and the actions needed to ensure a balanced budget.

Background Papers

None

Period 6 – Current Budget Variances and Forecast Outturn Variances by Service Area

		Position to date			Forecast Outturn		
	Area	Spend	Income	Net	Spend	Income	Net
		£'000	£'000	£'000	£'000	£'000	£'000
Corporate & Democratic Core		(90)	67	(23)	-	(100)	(100)
	Total	(90)	67	(23)	-	(100)	(100)
Executive Management Team							
	EMT	(34)	-	(34)	(17)	-	(17)
	Coronavirus	16	(8)	8	9	-	9
	Total	(18)	(8)	(26)	(8)	-	(8)
Community							
	Assistant Director Communities	(9)	-	(9)	(6)	-	(6)
	Licensing & Food Safety	-	(10)	(10)	10	2	12
	Community Safety	(1)	-	(1)	-	-	-
	Environmental Health Services	2	3	5	-	5	5
	Building Control	(7)	15	8	(9)	-	(9)
	Community Initiatives	(67)	(1)	(68)	(30)	-	(30)
	Private Sector Housing	(4)	(24)	(28)	5	(52)	(47)
	Bereavement Services	(37)	111	74	42	115	157
	Cultural Services	(12)	13	1	(19)	25	6
	Colchester Museums	(11)	65	54	-	96	96
	Subtotal	(146)	172	26	(7)	191	184
	Colchester & Ipswich Museums	(38)	32	(6)	(5)	63	58
	Total	(184)	204	20	(12)	254	242
Customer							
	Assistant Director Customers	4	-	4	4	-	4
	Accounts & Debt	8	(6)	2	6	-	6
	Local Taxation & Business Rates	(28)	8	(20)	(10)	3	(7)
	Benefits & Hub	(39)	(4)	(43)	2	-	2
	Contact & Support Centre	13	3	16	3	-	3
	Electoral Services	134	(126)	8	1	-	1
	Customer Digital & Systems	-	-	-	(2)	-	(2)
	Land Charges	(2)	(45)	(47)	28	(73)	(45)
	Subtotal	90	(170)	(80)	32	(70)	(38)
	Benefits - Payments & Subsidy	(938)	2,527	1,589	-	-	-
	Total	(848)	2,357	1,509	32	(70)	(38)
Environment							
	Assistant Director Environment	(3)	-	(3)	(9)	-	(9)
	Neighbourhood Services	217	(119)	98	755	(246)	509
	Car Parking	(37)	(70)	(107)	-	-	-

		Position to date			Forecast Outturn		
	Area	Spend	Income	Net	Spend	Income	Net
		£'000	£'000	£'000	£'000	£'000	£'000
	Subtotal	177	(189)	(12)	746	(246)	500
	Parking Partnership (NEPP)	(26)	343	317	32	193	225
	Total	151	154	305	778	(53)	725
	Place & Client						
	Assistant Director Place & Client	1	-	1	(17)	-	(17)
	Place Strategy	59	(7)	52	5	-	5
	Housing	377	(207)	170	(16)	-	(16)
	Planning	32	(86)	(54)	15	(86)	(71)
	Sustainability & Climate Change	48	-	48	7	-	7
	Garden Communities	-	-	-	-	-	-
	Subtotal	517	(300)	217	(6)	(86)	(92)
	<i>Company Related:-</i>						
	Client – Commercial Company	-	-	-	-	(111)	(111)
	Corporate Asset Management	(56)	53	(3)	1	-	1
	Commercial & Investment	(145)	(158)	(303)	-	(27)	(27)
	Sport & Leisure	(672)	(459)	(1,131)	(191)	(172)	(363)
	Total	(356)	(864)	(1,220)	(196)	(396)	(592)
	Corporate & Improvement						
	Assistant Director Corporate & Improvement	-	10	10	-	-	-
	Finance	(78)	2	(76)	-	-	-
	ICT	(22)	(15)	(37)	38	(15)	23
	People and Performance	(57)	38	(19)	(5)	79	74
	Governance	71	(34)	37	90	-	90
	Communications	29	(5)	24	11	-	11
	Total	(57)	(4)	(61)	134	64	198
	Total (excl. Benefits, NEPP & JMC)	(400)	(996)	(1,396)	701	(557)	144
	Total (all)	(1,402)	1,906	504	728	(301)	427

Current Budget Variances and Forecast Outturn Variances by Subjective Group

		Position to date			Forecast Outturn		
		Actual	Budget	Variance	Actual	Budget	Variance
	Subjective	£'000	£'000	£'000	£'000	£'000	£'000
	Expenditure						
	Employees	12,138	12,082	56	24,655	24,107	548
	Premises Related	3,804	4,236	(432)	7,477	7,435	42
	Transport Related	817	909	(92)	1,994	1,968	26
	Supplies & Services	4,408	4,304	104	9,205	9,075	130
	Third Party Payments	2,782	2,828	(46)	5,145	5,190	(45)
	Transfer Payments	230	221	9	442	442	0
	Capital Financing Costs	1	0	1	110	110	0
	Total	24,180	24,580	(400)	49,028	48,327	701
	Income						
	Government Grant	(918)	(772)	(146)	(798)	(801)	3
	Other Grants & Reimbursements	(2,045)	(1,994)	(51)	(3,866)	(3,483)	(383)
	Customer & Client Receipts	(10,626)	(9,858)	(768)	(19,478)	(19,301)	(177)
	Income-Interest	(145)	(114)	(31)	(227)	(227)	0
	Inter Account Transfers	0	0	0	0	0	0
	Total	(13,734)	(12,738)	(996)	(24,369)	(23,812)	(557)
	Net	10,446	11,842	(1,396)	24,659	24,515	144

Summary showing Original Council budget, revised for Coronavirus and latest forecasts.

	2021/22 Original Budget	2021/22 – P6 Forecast	2021/22 – P6 Forecast Variance
	£'000	£'000	£'000
Base Budget	24,514	24,514	0
One-off items	(2,915)	(2,915)	0
Cost Pressures	2,372	2,372	0
Cost Pressures - Transformation & Recovery	500	500	0
Cost Pressures - Covid-19 - Economic & Income	4,129	4,129	0
Growth Items	375	375	0
Savings	(2,528)	(2,528)	0
Change in use of NHB for one off investment	(1,419)	(1,419)	0
2021/22 Forecast Outturn		(379)	(379)
Forecast Base Budget	25,028	24,649	(379)
<i>Funded By:</i>			
Business Rates Baseline	(4,300)	(4,300)	0
SFA	(4,300)	(4,300)	0
Increase in NNDR / taxbase above baseline	(1,620)	(1,620)	0
Business Rates Pooling	(200)	(200)	0
New Homes Bonus	(2,430)	(2,430)	0
Lower Tier Government Grant	(622)	(622)	0
Government Reimbursement - Covid-19	(993)	(993)	0
Government Reimbursement - Covid-19 - Income Support	(500)	(920)	(420)
Total Gov't grants & business rates	(10,665)	(11,085)	(420)
Council Tax	(12,588)	(12,588)	0
Collection Fund Deficit / (Surplus)	37	37	0
Business Rates Deficit / (surplus)	12,787	12,787	0
Contribution to / (Use of Reserves)	(12,199)	(12,199)	0
Use of Reserves for Covid-19 - 19/20 C/Fwds	(500)	(500)	0
Use of Reserves for Covid-19 - Unringfenced Grants	(950)	(950)	0
Use of Reserves for Covid-19 – Repairs & Renewals	(950)	(151)	799
Total Funding	(25,028)	(24,649)	379
Forecast Overspend / (Underspend)	0	0	0

Forecast Outturn Variances

Service Area	Variance			Comment
	Spend £'000	Income £'000	Net £'000	
EMT				
Executive Management Team	(17)	-	(17)	Underspends forecast across general spend, including consultancy (68%) and due to a vacant director post (5%) offsetting predicated cost of Chief Executive recruitment (100%).
Corona Virus	9	-	9	A code had been set up in the EMT budget to capture Covid costs of pay for those people who have worked additionally on Covid related roles. This was done to capture the information in case we needed to make a claim to MHCLG for such costs. This will result in showing a net overspend in the EMT budget for April and May 2021 pay (100%).
Community				
Assistant Director Community	(6)	-	(6)	Small savings forecasted due to p/t PA vacant post.
Licensing and Food Safety	10	2	12	Forecast overspend of £10k in S&S (47%) on legal costs, unmet survey demand and testing. Estimated income shortfall of £2k (0.5%) in Licensing.
Environmental Health Services	-	5	5	Forecast £6k income shortfall in pest and animal control offset by a small gain in water testing (8%).
Building Control	(9)	-	(9)	Employees underspend forecast of £20k (6%) due to a vacant post. £1k saving on staff mileage claims (8%). This is offset by £12k (106%) forecast overspend on outsourcing surveying services.

Service Area	Variance			Comment
	Spend £'000	Income £'000	Net £'000	
Community Initiatives	(30)	-	(30)	Forecasting £30k (8%) underspend relating to staff salaries. Saving is a mixture of new staff costs on lower spinal column point, recouping some core staff expenditure from grant payments.
Private Sector Housing	5	(52)	(47)	Forecasting small salaries overspend due to a new post added in PSH to help with generating more HMO licensing income. £52k (28%) more income mainly in civil penalties and HMO licences.
Bereavement Services	42	115	157	Salary overspend of £23k (10%) due to an additional Asst Manager role due to start in mid Nov. Post holder will be responsible for increasing recovery of income for assisted funerals and start claiming child burial costs which is a new source of income. The budget will benefit from these in Q4 of 21/22. Other overspend of £19k (15%) is a mixture of equipment service charge, assisted funeral referrals and IT equipment. £112k (7%) income shortfall on Cremations, memorial income, book of remembrance and environmental surcharge. £3k (50%) less income recovery from Assisted Funerals. Income for Cremations, Burials & memorials is expected to increase in the winter/spring months as normal.
Cultural Services	(19)	25	6	Underspend on casual staff costs and overtime of £6k (3%). £8k underspend on third party payments – no fireworks agency. £6k (45%) underspend on goods for resale is offset by £9k (50%) shortfall in VIC sales income. Further income shortfall of £16k (66%) from Guided Tours and Advertising.
Colchester Museums	-	96	96	Forecast less income of £6k (18%) on Guided Tours and £90k (19%) on general admissions and schools income. This is due to Castle's late opening from mid-May and the limited capacity due to Covid restrictions. Admissions net income loss will be reclaimed from the Government under their income loss compensation scheme. This is being recorded corporately.

Service Area	Variance			Comment
	Spend £'000	Income £'000	Net £'000	
Colchester and Ipswich Museums (CIMS)	(5)	63	58	<p>CIMS is a ring-fenced budget. There is a forecast underspend of £14k (14%) on salaries due to vacant posts and reduced casual staff costs. This is offset by forecast overspend of £25k (59%) on third party contractors to backfill the vacant post relating to Exhibitions' costs.</p> <p>£18k (23%) underspend on materials for resale is offset by £36k (22%) shortfall in sales income in Retail. Loss of income on Events forecasted at £22k (51%).</p> <p>Some retail income loss had been reclaimed and will be allocated to CIMS in year.</p>
Customer				
Assistant Director Customers	4	-	4	Small overspend relating to superannuation adjustment (12%).
Accounts & Debt	6	-	6	A net overspend on employee costs across the teams of £22k (3%) offset by underspends on training of £10k (45%) and stationery £7k (64%).
Local Taxation & Business Rates	(10)	3	(7)	An underspend on employee costs of £16k (5%) in the Council Tax team offset by an overspend of £6k (3%) within the NNDR team. The income forecast variance relates to the NNDR Admin Grant. (1%).
Benefits & Hub	2	-	2	An overspend on employee costs within The Community Hub of £4k (2%) offset by an underspend on professional subscriptions within Technical £2k (45%).
Contact Support Centre	3	-	3	An overspend on Employee costs due to in year redundancies (100%) is partially offset by an underspend on telephony licence and maintenance costs (100%).

Service Area	Variance			Comment
	Spend £'000	Income £'000	Net £'000	
Electoral Services	1	-	1	Overspend on overtime/casual employee costs within the Elections team following the recent Election (100%).
Customer Digital & Systems	(2)	-	(2)	An overspend on Microsoft Software licences (25.29%) is partially offset by an underspend on employee costs (2.35%).
Land Charges	28	(73)	(45)	A £3k overspend on software licences (19.72%) and £25k on third party payments (75%) is offset by £73k more income (29.51%).
HB – Payments & Subsidy	-	-	-	No variance forecast at this stage of the financial year although close monitoring of overpayment debt collection is carried out regularly. The audit of the 2019/20 claim has now been completed and the final adjustment has been made, which is not material.
Environment				
Assistant Director Environment	(9)	-	(9)	Employee underspends.
Neighbourhood Services	755	(246)	509	£175k employee overspends are forecast due to not having had sufficient vacant posts yet this year to achieve the budget target for vacancies (2.56%). £429k employee overspends are forecast to maintain Waste Collections (12.2%). £125k overspend is forecast on Field Gate Quay repair works following the rapid decline of the quayside (33%). Recycling credits are forecast to exceed the budget by £180k (9.38%) and following global market fluctuations £318k more income derived from the sale of paper and £74k savings on associated contractor costs are forecast (9.36%). A £145k shortfall of income is forecast on Market & Street Trading (62.77%) and a further £80k shortfall is forecast on Trade Waste Collections (12.69%).
North Essex Parking Partnership (NEPP)	32	193	225	NEPP will be 'on budget' after any shortfall variance caused by the emergency is drawn in a planned way from the £1m Reserve.

Service Area	Variance			Comment
	Spend £'000	Income £'000	Net £'000	
Place & Client				
Assistant Director Place & Client	(17)	-	(17)	Variance forecast on employee costs but are likely to change in next few months as agency costs are incurred.
Place Strategy	5	-	5	Forecast overspend on employee costs due to not having had sufficient vacant posts yet this year to achieve the budget target for vacancies (3%). Offset slightly by general underspends in Economic Development as a result of recruitment (1%).
Housing	(16)	-	(16)	Forecast underspend due to vacant post (7%) – this will help offset the above vacancy target.
Planning	15	(86)	(71)	Overspends due to Locum costs (100%) and legal spend (50%) offset slightly by small net underspend across salaries (1%). Planning fees income forecast is £86k more than full year budget, this has been profiled based on the previous 3 years income trend variance and is subject to considerable fluctuations. This will be reviewed at Period 7 (7%).
Sustainability & Climate Change	7	-	7	Forecast overspend on employee costs due to not having had sufficient vacant posts yet this year to achieve the budget target for vacancies, and increment increases due to post changes not fully budgeted (1%) and unbudgeted spend relating to Transport East invoice (100%).
Client - Commercial Company	-	(111)	(111)	The dividend is forecast to be £111k, which is in line with the dividend reported in the CCHL Business Plan considered by Governance and Audit Committee on 19 th January 2021.
Corporate Asset Management	1	-	1	The small overspend (£1.4k) relates to a 3 year licence renewal for the Town Hall. No variances have been forecast on Rowan House until timeline for building works is confirmed and external rents are negotiated.

Service Area	Variance			Comment
	Spend £'000	Income £'000	Net £'000	
Commercial & Investment	-	(27)	(27)	Commercial properties have not identified any unbudgeted cost pressures for 2021/22. Income is forecast to be £26.6k (1%) more than the budget – the overall budget target was reduced primarily due to forecasts around the ongoing impact of the Coronavirus. The outturn variance may yet change post lockdown.
Sport and Leisure	(191)	(172)	(363)	Expenditure savings have been forecast on employee costs at £117k (3.8%), and £88k (6%) mainly relating to efficient management of grounds maintenance at Northern Gateway Sports Hub site. An overall income surplus of £172k (4.72%) is forecast at this stage of the year due mainly to Pools (£283k) and Wet Side courses (£50k) following a significant effort by the service to capitalise on customer demand over the summer period. These surpluses are offset by other areas in which income levels are lower than expected. A programme is in place to accelerate income recovery to pre pandemic levels across all Sport and Leisure Services.
Corporate & Improvement (incl. CDC)				
Corporate & Democratic Core	(100)	-	(100)	More income forecast from Council Tax Sharing Agreement (25%).
ICT	38	(15)	23	Overspend forecast on employee costs due to not having had sufficient vacant posts yet this year to achieve the budget target for vacancies (4%). More income than budget is forecast due to one off income for work completed with CBH (100%), and street name and numbering (14%) which will be reviewed monthly.

Service Area	Variance			Comment
	Spend £'000	Income £'000	Net £'000	
People & Performance	(5)	79	74	Overspend forecast on employee costs due to not having had sufficient vacant posts yet this year to achieve the budget target for vacancies (1%) offset by forecast underspend on purchase of staff transport tickets (48%). Less income forecast from staff car parking due to home working and part year closure of Rowan House (91%).
Governance	90	-	90	Overspend forecast in Hallkeepers as a higher saving was allocated to service than could be achieved with the agreed reduction in level of Hallkeepers. Further review of Hallkeepers will be necessary to achieve saving and overspend across employee costs due to not having had sufficient vacant posts yet this year to achieve the budget target for vacancies (6%). Overspend on members equipment hire due to Mark's Tey Radio costs, this could increase while looking into a solution for meetings (100%). This is offset slightly by some savings across supplies and services budgets (0.5%).
Communications	11	-	11	Forecast overspend due to not having had sufficient vacant posts yet this year to achieve the budget target for vacancies (100%).

September 2021	Current Period - September 2021			Forecast Year-End Position		
	Profiled Budget to Period 6 £'000	Actual to Period 6 £'000	Variance (under) / over £'000	Annual Budget £'000	Projected Outturn £'000	Variance (under) / over £'000
Account Description						
HRA - Direct & Non-Direct						
EXPENDITURE						
Employees	113	146	33	225	225	-
Premises Related	3,488	3,035	(453)	6,965	6,965	-
Transport Related	-	-	-	1	1	-
Supplies & Services	619	449	(170)	1,088	1,088	-
Third Party Payments	2,237	2,230	(7)	3,839	3,839	-
Transfer Payments	64	33	(31)	128	128	-
Support Services	2,790	2,790	-	3,450	3,450	-
Capital Financing Costs	-	-	-	15,088	14,795	(293)
TOTAL EXPENDITURE	9,311	8,683	(628)	30,784	30,491	(293)
INCOME						
Other Grants & Reimbursements	-	-	-	(139)	(139)	-
Customer & Client Receipts	(16,060)	(15,803)	257	(30,573)	(30,280)	293
Income-Interest	-	-	-	(16)	(16)	-
Inter Account Transfers	-	-	-	(56)	(56)	-
TOTAL INCOME	(16,060)	(15,803)	257	(30,784)	(30,491)	293
TOTAL NET - HRA	(6,749)	(7,120)	(371)	-	-	-