

7 December 2022

Report of	Assistant Director Corporate and Improvement	Author	Darren Brown  282891
Title	Financial Monitoring Report – April to September 2022		
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 £474k as at period 6. This includes more expenditure of £119k and more income of £593k, compared to profiled budgets.
 - The current forecast outturn position for the General Fund is a net overspend of £392k.
 - The Housing Revenue Account is showing a net overspend of £13k 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. This review will provide a further opportunity to assess progress against budget targets and income levels, and any resulting necessary action to mitigate any forecast budget variance will be considered. Inflation is forecast to reach 13% during 2022 which will inevitably impact on the cost of council services. The Bank of England is also forecasting recession until mid-2023; this is likely to mean increased demand for council services and potential reductions in residents' discretionary spending including sport and leisure.

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 2022/23, and to note the forecast budget overspend of £392k on the General Fund.

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 2022, 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 overspend of £392k. 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 4.15 to 4.19. Budgets carried forward from 21/22 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 2022

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 £474k (favourable). This comprises total expenditure being £119k higher than expected and total income being £593k higher than expected. Appendix B breaks these variances down by subjective group.

Income

- 4.5 Income to the Council is below targets in a number of areas to date, but most notably in Planning. However, income levels are above profiled budgets most significantly within Sport & Leisure and Parking.

Expenditure

- 4.6 There are overspends against profiled budgets in a number of services areas, predominantly within employees and supplies and services costs, which are mainly offset by underspends within premises costs and third party payments. These can be as a result of profiling of budgets as well as timing of expenditure. Indicative energy figures for 23/24 budget setting are showing a very large increase (circa 130% / £2.2million) compared to 22/23. Whilst the current year forecast includes some pressures for energy, for example in Bereavement and Sport & Leisure, this is an area that is volatile plus there has been the announcement of Government support for Businesses for the second half of 22/23, so this will need to be monitored carefully for the remainder of the financial year.
- 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 2022/23 budget position, and the current forecast outturn is a net overspend of £392k.

	£'000	
Service budgets	792	See paras. 4.9, 4.10 and Appendix D
Technical / Corporate Items	(400)	
Potential net overspend	392	

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 £792k. As the table shows, this is mainly due to additional expenditure of £1,184k. The largest areas contributing to the net forecast position are;

- Neighbourhood Services: £82k Vacancy factor pressure, £691k overspend on staff costs (predominantly agency staff in Waste), £112k cost pressure on Fuel, £230k pressure in Recycling Materials (boxes/sacks). £75k more income from recycling credits.
- Place & Client: £120k planning appeals cost pressure, £175k less planning income, £99k Corporate Asset Mgt pressure relating to Health & Safety works and lift repairs, £150k more income due to prior year adjustments on 2 variable income commercial lease rents. Sport & Leisure is overspending by £500k primarily due to higher inflation, NNDR saving now not deliverable, Energy and Employee costs, which are partially offset by £225k more income. Housing is underspending by a net £613k, which reflects the removal of the £450k New Homes Bonus affordable housing allocation, and the additional use of £150k of Government grant in the year.
- Corporate & Improvement: £129k Shared services saving not being achieved, net overspend on employee costs including the vacancy factor not being achieved in some areas, extra costs resulting from payroll system re-tender and £77k less travel plan parking income.
- C&DC: £63k additional costs relating to increase in banking transactions
- EMT: £120k underspend forecast due to vacant posts and consultancy spend.
- £400k gain from interest payable/earned. The interest earned on cash investments has risen from 0% during periods of 2021/22 to 2.5%+ currently available for 3 to 6 month deposits. In a Monetary Policy Summary published 4 August 2022, the Bank of England expects base rates to rise from 1.75% August 2022 to 3% by March 2023. This may lead to further gains in the interest budget.

Service	Forecast outturn		
	Expenditure	Income	Net
	£'000	£'000	£'000
Corporate & Improvement (incl. CDC)	141	206	347
EMT	(120)	-	(120)
Community	19	(87)	(68)
Customer	(229)	81	(148)
Environment	1,166	(242)	924
Place & Client	207	(350)	(143)
Total all services	1,184	(392)	792

Appendix C

4.10 Appendix C shows the original Council 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 funding and the required use of reserves. Any use of reserves in 2022/23 to address unplanned overspends will limit budgeting options for 2023/24 and future years.

Corporate / Technical Items

4.11 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/earned of £400k, as we

haven't needed to borrow as planned given our higher cash balances and thus the ability to internally borrow, along with achieving higher interest rates on our investments.

- 4.12 Appendix D sets out details of all forecast variances against service budgets at the year-end totalling £792k. 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

- 4.13 The forecast outturn shows a potential net overspend of £792k. Further more detailed work will continue to be undertaken during Quarter 3 to ensure forecast outturn positions are robust.
- 4.14 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.

Housing Revenue Account

- 4.15 The Housing Revenue Account (HRA) set out in Appendix E is a ring-fenced account which is affected by a number of variable factors. At the end of September 2022, the HRA is showing a net overspend of £13k compared to the profiled budget for the same period. This is primarily due to higher expenditure on Premises costs of £133k and lower expenditure on Supplies and Services of £193k compared to the profiled budgets, and £75k less income than budgeted.

Position to date

- 4.16 Premises related costs are showing an overspend of £133k as at the end of September 2022. Overall, there is a net overspend of £191k 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 overspends of £22k on contract cleaning costs, which are partially offset by underspends of £53k on Grounds Maintenance budgets and £36k on Utility and Water costs which relate to the timing of expenditure.
- 4.17 Supplies & Services costs are underspent by £194k at the end of September. There is a general underspend across most budget headings which primarily relate to the timing of expenditure, the main areas being £74k of IT costs and £107k relating to the project to implement our new housing management system, which are partially offset by an overspend of £37k on subscriptions costs.
- 4.18 We have received £75k less income at the end of September 2022. 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 acquisitions and additions to our housing stock.

Forecast Outturn

- 4.19 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 2022/23 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 2022/23 revenue budget report that was approved by Council in February 2022 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.
- 9.3 Extensive modelling work has been undertaken to understand the impacts and variables arising from the pandemic.
- 9.4 Leisure, parking and commercial income are very dependent on factors beyond the Council's control including the return of consumer confidence, customer behaviours and the pace of recovery.
- 9.5 Modelling has been undertaken with service managers to assess the potential range of impacts before adopting the assumptions reflected within the report.
- 9.6 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

	Area	Position to date			Forecast Outturn		
		Spend £'000	Income £'000	Net £'000	Spend £'000	Income £'000	Net £'000
	Corporate & Democratic Core	(95)	(39)	(134)	63	-	63
	Total	(95)	(39)	(134)	63	-	63
	Executive Management Team						
	EMT	(77)	-	(77)	(120)	-	(120)
	Total	(77)	-	(77)	(120)	-	(120)
	Community						
	Assistant Director Communities	1	-	1	-	-	-
	Licensing & Food Safety	(5)	(38)	(43)	(1)	(4)	(5)
	Community Safety	(1)	-	(1)	-	(40)	(40)
	Environmental Health Services	(11)	(1)	(12)	(5)	6	1
	Building Control	29	12	41	14	-	14
	Community Initiatives	(22)	-	(22)	9	(31)	(22)
	Private Sector Housing	(19)	28	9	(33)	19	(14)
	Bereavement Services	(48)	(23)	(71)	46	(54)	(8)
	Cultural Services	(12)	8	(4)	(11)	17	6
	Colchester Museums	(4)	(10)	(14)	-	-	-
	Subtotal	(92)	(24)	(116)	19	(87)	(68)
	Colchester & Ipswich Museums	(33)	(44)	(77)	139	(9)	130
	Total	(125)	(68)	(193)	158	(96)	62
	Customer						
	Assistant Director Customers	-	-	-	-	-	-
	Accounts & Debt	10	(4)	6	15	(4)	11
	Local Taxation & Business Rates	35	(67)	(32)	1	(39)	(38)
	Benefits & Hub	57	-	57	(36)	42	6
	Contact & Support Centre	26	3	29	4	-	4
	Electoral Services	105	-	105	4	1	5
	Customer Digital & Systems	(114)	-	(114)	(219)	-	(219)
	Land Charges	1	14	15	2	81	83
	Subtotal	120	(54)	66	(229)	81	(148)
	Benefits - Payments & Subsidy	1,056	694	1,750	-	-	-
	Total	1,176	640	1,816	(229)	81	(148)
	Environment						
	Assistant Director Environment	(3)	-	(3)	(8)	-	(8)
	Neighbourhood Services	358	(29)	329	1,130	(82)	1,048

		Position to date			Forecast Outturn		
	Area	Spend	Income	Net	Spend	Income	Net
		£'000	£'000	£'000	£'000	£'000	£'000
	Car Parking	25	(149)	(124)	44	(160)	(116)
	Subtotal	380	(178)	202	1,166	(242)	924
	Parking Partnership (NEPP)	127	377	504	(46)	-	(46)
	Total	507	199	706	1,120	(242)	878
	Place & Client						
	Assistant Director Place & Client	2	-	2	3	-	3
	Place Strategy	57	(60)	(3)	(19)	-	(19)
	Housing	82	(66)	16	(463)	(150)	(613)
	Planning	75	175	250	126	175	301
	Sustainability & Climate Change	(12)	(24)	(36)	(47)	-	(47)
	Subtotal	204	25	229	(400)	25	(375)
	<i>Company Related:-</i>						
	Client – Commercial Company	-	-	-	-	-	-
	Corporate Asset Management	(86)	3	(83)	99	-	99
	Commercial & Investment	3	(114)	(111)	8	(150)	(142)
	Sport & Leisure	74	(359)	(285)	500	(225)	275
	Total	195	(445)	(250)	207	(350)	(143)
	Corporate & Improvement						
	Assistant Director Corporate & Improvement	(6)	64	58	(30)	129	99
	Finance	(100)	-	(100)	(85)	-	(85)
	ICT	(75)	35	(40)	61	-	61
	People and Performance	(9)	37	28	44	77	121
	Governance	(104)	11	(93)	88	-	88
	Communications	(18)	-	(18)	-	-	-
	Total	(312)	147	(165)	78	206	284
	Total (excl. Benefits, NEPP & JMC)	119	(593)	(474)	1,184	(392)	792
	Total (all)	1,269	434	1,703	1,277	(401)	876

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	12,841	12,558	283	26,038	25,521	517
	Premises Related	4,282	4,443	(161)	8,197	7,786	411
	Transport Related	857	841	16	1,993	1,870	123
	Supplies & Services	4,378	4,216	162	9,517	9,167	350
	Third Party Payments	2,818	3,012	(194)	5,096	5,313	(217)
	Transfer Payments	250	237	13	475	475	0
	Capital Financing Costs	0	0	0	110	110	0
	Total	25,426	25,307	119	51,426	50,242	1,184
	Income						
	Government Grant	(494)	(463)	(31)	(642)	(535)	(107)
	Other Grants & Reimbursements	(1,563)	(1,405)	(158)	(3,809)	(3,665)	(144)
	Customer & Client Receipts	(11,989)	(11,549)	(440)	(22,796)	(22,655)	(141)
	Income-Interest	(88)	(124)	36	(248)	(248)	0
	Inter Account Transfers	0	0	0	0	0	0
	Total	(14,134)	(13,541)	(593)	(27,495)	(27,103)	(392)
	Net	11,292	11,766	(474)	23,931	23,139	792

Summary showing Overall Council budget and latest forecasts.

	2022/23 Original Budget	2022/23 – P6 Forecast	2022/23 – P6 Forecast Variance
	£'000	£'000	£'000
Base Budget	25,028	25,028	0
One-off items	(3,281)	(3,281)	0
Cost Pressures	2,035	2,035	0
Growth Items	134	134	0
Savings	(2,045)	(2,045)	0
Change in use of NHB for one off investment	4	4	0
2021/22 Forecast Outturn		392	392
Forecast Base Budget	21,875	22,267	392
<i>Funded By:</i>			
Business Rates Baseline	(4,343)	(4,343)	0
SFA	(4,343)	(4,343)	0
Increase in NNDR / taxbase above baseline	(1,870)	(1,870)	0
Business Rates Pooling	(200)	(200)	0
New Homes Bonus	(1,954)	(1,954)	0
Lower Tier Government Grant	(198)	(198)	0
Other Government Grant	(298)	(298)	0
Total Gov't grants & business rates	(8,863)	(8,863)	0
Council Tax	(13,300)	(13,300)	0
Collection Fund Deficit / (Surplus)	(372)	(372)	0
Business Rates Deficit / (surplus)	5,280	5,280	0
Contribution to / (Use of Reserves)	(4,098)	(4,098)	0
Use of Reserves for Covid-19 - 19/20 C/Fwds	(522)	(914)	(392)
Use of Reserves for Covid-19 - Unringfenced Grants	0	0	0
Use of Reserves for Covid-19 – Repairs & Renewals	0	0	0
Total Funding	(21,875)	(22,267)	(392)
Forecast Overspend / (Underspend)	0	0	0

Forecast Outturn Variances

Service Area	Variance			Comment
	Spend £'000	Income £'000	Net £'000	
EMT				
Executive Management Team	(120)	-	(120)	Forecast underspend due to vacant posts (15%) and consultancy underspend (16%).
Community				
Licensing and Food Safety	(1)	(4)	(5)	Employees forecast underspend of £12k (2.6%) due to a vacant post. Overspend of £8k on Vet fees for interim ZOO inspections is being fully recovered from the ZOO. Net income shortfall of £2k (0.4%) in Licensing, mainly private hire vehicle licenses shortfall is offset by Premises licences additional income.
Community Safety	-	(40)	(40)	Review of Community Safety balances and grant no longer required.
Environmental Health Services	(5)	6	1	Savings of £8k (2%) on salaries due to a vacant post. Income shortfall of £6k (12%) in pest control and stray dogs boarding.
Building Control	14	-	14	Forecasting salaries underspend of £82k (21%) due to several vacant posts. This is being offset by retention bonus payments of £15k (100%) and agency staff costs of £65k (100%). Further £15k (155%) overspend on outsourcing surveying services.
Community Initiatives	9	(31)	(22)	Forecast £21k (4%) underspend on staff resource. Estimated £30k (100%) spend with no budget on Stanway Community Centre energy costs before transferring to Parish Council. £30k grant income gain from claiming a recovery of management costs.

Service Area	Variance			Comment
	Spend £'000	Income £'000	Net £'000	
Private Sector Housing	(33)	19	(14)	Forecasting £35k (7%) salaries underspend due to a PSH Officer vacant post. Work underway to appoint a less qualified role to assist recruitment that will increase income. £2k overspend in Healthy Homes for access to work equipment. £22k (11%) income shortfall mainly in civil penalties but other income remains on target or overachieving. Small gain in Healthy homes for internal re-charge.
Bereavement Services	46	(54)	(8)	Forecasting £19k (35%) overspend on music services (incl. web cast and recording), this is offset by an income derived from these services, currently f/casting £25k (97%) above income target. Estimated £31k (61%) more spend on energy due to rising prices. £5k (18%) underspend on Assisted funerals, currently low demand but seeing a steady increase so underspend is unlikely to be sustained. £70k (5%) more income on cremations & other (partly due to Weeley crematorium being shut for 6 months but has now reopened). This is offset by £17k (7%) shortfall on burials.
Cultural Services	(11)	17	6	Small underspend on casual staff costs. £9k (90%) underspend on agency work, this is offset by the shortfall of £9.6k (89%) in ticket income. Income shortfall of £4k (60%) from Guided Tours and £3k (42%) from advertising.
Colchester and Ipswich Museums (CIMS)	139	(9)	130	CIMS is a ring-fenced budget. Forecast underspend of £19k (1%) on staff costs. Additional £48k (71%) - rebate received for rates. £189k (51%) overspend across supplies and services. This is due to planned spend of CIMS reserves for products and services from last year plus current year spend (AV repair and replacement, exhibitions). Small gain in grant income– funder's review.
Customer				

Service Area	Variance			Comment
	Spend £'000	Income £'000	Net £'000	
Accounts & Debt	15	(4)	11	£8k relates to the Vacancy Factor with additional overspends on employee costs within Income and Corporate Debt (£11k) (7%), Procurement (£8k) (7%) and Purchasing and Control £3k (1.5%). Underspends offsetting these pressures on training £8k (43%), IT £4k (80%), central stationery £3k (75%) and general office expenditure £1.5k (75%) with a small overspend on printing costs of £1k (63%). The income forecast variance relates to unbudgeted court fees recovered (100%).
Local Taxation & Business Rates	1	(39)	(38)	An overspend on consultancy costs of £4.5k (167%) partially offset by an underspend on banking charges of £2k (24%) and employee costs £1k. The income forecast variance relates to court fees recovered.
Benefits & Hub	(36)	42	6	Forecast underspends on employee costs in The Community Hub (£28k) (7%) due to vacant posts for part of the year. Also underspends on IT costs in The Community Hub (£6k) (100%) and Technical Services (£4k) (4%). The income variance relates to a shortfall in New Burdens income of £50k (27%) partially offset by £8k unbudgeted funding to support the Essex Household support grant work.
Contact Support Centre	4	-	4	An overspend on employee costs (0.31%).
Electoral Services	4	1	5	The Elections team forecasts overspends on employee costs of £2k (1.5%), mobile phones £1k (100%) and software licences £1k (4%). Electoral Registration forecasts £1k less income from on sales of the Electoral Register (25%).
Customer Digital & Systems	(219)	-	(219)	Salary underspends in the Web and Development Team following merger of teams into corporate ICT are offset by one off consultancy and spend in ICT budgets (within Corporate and Improvement) to support critical applications and deliver new

Service Area	Variance			Comment
	Spend £'000	Income £'000	Net £'000	
				corporate infrastructure. £70k carry forward for Northgate implementation support is not needed this year.
Land Charges	2	81	83	An overspend on software licences (8.77%) and shortfall on income (28.43%).
Environment				
Assistant Director Environment	(8)	-	(8)	Employee underspends (5.37%).
Neighbourhood Services	1,130	(82)	1,048	£82k employee overspends are forecast due to not having had sufficient vacant posts yet this year to achieve the budget target for vacancies (1.18%) and a £691k employee overspend is forecast to maintain key services in line with increased demand (18.69%). Due to prices reaching record highs a £112k overspend is forecast on fuel (16.68%). The recycling bags purchased for the annual delivery exceeded budget due to increased material costs and a £230k overspend is forecast for recycling kit which will be monitored against demand throughout the year (99.7%). Income from Recycling credits is forecast to be £75k (4.19%) more than the budget.
Car Parking	44	(160)	(116)	Overspends on repairs and maintenance of £29k (73%), parking transaction charges £25k (100%) and insurance £1k (10%) offset by an underspend on NNDR costs of £11k (1%). Pay and Display income is forecast to be £132k (5%) more than the budget, and PCN income £28k (15%) more than the budget.
North Essex Parking Partnership (NEPP)	(46)	-	(46)	NEPP will be 'on budget' after any shortfall variance is drawn in a planned way from the Parking Reserve.
Place & Client				
Assistant Director Place & Client	3	-	3	A small variance is forecast on employee costs (2%).

Service Area	Variance			Comment
	Spend £'000	Income £'000	Net £'000	
Place Strategy	(19)	-	(19)	Forecast underspend across employee costs due to vacant posts (3%) and small underspend across general spend (0.5%).
Housing	(463)	(150)	(613)	Forecast underspend across employee costs due to vacant posts (10%). Removal of £450k NHB Affordable Housing allocation carry forward as not needed this year, and additional use of £150k grant income in year.
Planning	126	175	301	Overspends forecast mainly due to £120k planning appeals cost (100%), staff transport costs (44%), publicity costs (13%) and IT software and subscription costs (21%). Planning fees income forecast is £175k less than full year budget, this has been profiled based on the previous 3 years income trend variance (13%). This will be reviewed every month.
Sustainability & Climate Change	(47)	-	(47)	Forecast underspend on employee costs due to vacant manager post (23%).
Corporate Asset Management	99	-	99	The forecast remains the same with a forecast overspend relating to unplanned works of c£50k on three council lifts, £22k urgent safety repairs to the Town Hall exterior walkway and roof as well as some smaller pressures on other sites including clearance costs on Rowan House although NNDR relief is being sought to help offset these costs whilst this site is closed for refurbishment works.
Commercial & Investment	8	(150)	(142)	Commercial properties have identified a small cost pressure due to a water leak on a North Colchester site c£8k. Income is forecast to be £150k (20.23%) higher than the budget due to two variable income Commercial lease rents 21/22 final figures coming in higher than expected.
Sport and Leisure	500	(225)	275	Expenditure pressures have been forecast on many supplies of £218k, mainly due to inflation, and includes final costs around Pool View going live c£50k.

Service Area	Variance			Comment
	Spend £'000	Income £'000	Net £'000	
				The latest increase on premises costs is due to NNDR and the recently updated forecasts for energy which has added c£150k to the predicted outturn (Electricity £45k and Gas £105k). Employee costs are now forecast to exceed budget by £38k (1.17%). An overall income improvement of £225k (4.2%) is forecast at this stage of the year, and this is predominantly on Pools, Wet Side courses and the Fitness Centre. Income figures are not yet reflecting any reduction due to the economic downturn.
Corporate & Improvement (incl. CDC)				
Corporate & Democratic Core	63	-	63	Forecast overspend on banking transaction charges (48%).
Assistant Director Corporate and Improvement	(30)	129	99	Salary underspend due to vacant post for 3 months due to Interim Chief Operating Officer Appointment (25%). Delays to commencing projects to explore shared services mean the associated saving target will not be met (100%).
Finance	(85)	-	(85)	Underspends across salaries due to vacant posts while they are being appointed to (7%). £25k carry forward for system enhancements not needed this year.
ICT	61	-	61	Overspend forecast for one off consultancy and spend to support critical applications and deliver new corporate infrastructure (100%) offset by the underspends in Web and Development Team in Customer Services and one off saving on Microsoft payments due to timings (14%).
People & Performance	44	77	121	Overspend forecast on employee costs due to not having had sufficient vacant posts yet this year to achieve the budget target for vacancies, temporary staff changes (5%) and due to the re-tender of the payroll system (87%) offset slightly by shared payroll service saving (25%) and staff travel plan (46%).

Service Area	Variance			Comment
	Spend £'000	Income £'000	Net £'000	
				Less income forecast from staff car parking due to home working while Rowan House is closed (89%).
Governance	88	-	88	Overspend forecast on employee costs due to agency fees to cover vacant posts (100%), not having had sufficient vacant posts yet this year to achieve the budget target for vacancies (7%) and Hallkeeper casual costs due to external events and greater numbers of meetings (92%).

September 2022	Current Period - September 2022			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	125	130	5	239	239	-
Premises Related	3,760	3,893	133	7,508	7,508	-
Transport Related	-	-	-	1	1	-
Supplies & Services	576	383	(193)	1,095	1,095	-
Third Party Payments	2,382	2,375	(7)	4,087	4,087	-
Transfer Payments	64	64	-	128	128	-
Support Services	2,493	2,493	-	3,420	3,420	-
Capital Financing Costs	-	-	-	15,400	15,325	(75)
TOTAL EXPENDITURE	9,400	9,338	(62)	31,878	31,803	(75)
INCOME						
Other Grants & Reimbursements	-	-	-	(139)	(139)	-
Customer & Client Receipts	(16,630)	(16,555)	75	(31,669)	(31,594)	75
Income-Interest	-	-	-	(12)	(12)	-
Inter Account Transfers	(27)	(27)	-	(58)	(58)	-
TOTAL INCOME	(16,657)	(16,582)	75	(31,878)	(31,803)	75
TOTAL NET - HRA	(7,257)	(7,244)	13	-	-	-