


7 March 2023

Report of	Chief Operating Officer	Author	Darren Brown  282891
Title	Financial Monitoring Report – April to December 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 overspend against services of £689k as at period 9. This includes more expenditure of £697k and more income of £8k, compared to profiled budgets.
 - The current forecast outturn position for the General Fund is a net overspend of £434k.
 - The Housing Revenue Account is showing a net overspend of £82k as at period 9 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 final end of year position will be reported for scrutiny purposes and the impact of this on balances will be considered by Cabinet as part of the budget strategy for 2024/25.

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 nine months of 2022/23, and to note the forecast budget overspend of £434k 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 nine months to 31 December 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 £434k. 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 4.17 to 4.21. 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 31 December 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 £689k (adverse). This comprises total expenditure being £697k higher than expected and total income being £8k 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 and Neighbourhood services. However, income levels are above profiled budgets most significantly within Commercial & Investment, 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 third party payments. These 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 underspent by £150k 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 third formal review this year of the 2022/23 budget position, and the current forecast outturn is a net overspend of £434k.

	£'000	
Service budgets	884	See paras. 4.9, 4.10 and Appendix D
Technical / Corporate Items	(450)	
Potential net overspend	434	

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 £884k. As the table shows, this is mainly due to additional expenditure of £661k. The largest areas contributing to the net forecast position are;

- Neighbourhood Services: £50k Vacancy factor pressure, £740k overspend on staff costs (predominantly agency staff in Waste), £159k cost pressure on Fuel, £180k pressure in Recycling Materials (boxes/sacks). £91k less income from sales of paper and £261k savings on associated contractor costs. £124k less income from recycling credits and £109k less income from Market & Street Trading. Parking income is forecast to be £182k more than the budget.
- Place & Client: £120k planning appeals cost pressure, £140k saving due to removal of local design code carry forward, £359k less planning income, £191k Corporate Asset Mgt pressure including Health & Safety works, lift repairs and Town Hall works, £150k more income due to prior year adjustments on 2 variable income commercial lease rents. Sport & Leisure is overspending by £492k primarily due to higher inflation, NNDR saving now not deliverable, Energy and Employee costs, which are partially offset by £251k more income. Housing is underspending by a net £685k, which reflects the removal of the £521k 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, £99k net underspend on employee costs including the vacancy factor not being achieved in some areas, £48k overspend in ICT, 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.
- £1,000k gain from interest payable/earned. The interest earned on cash investments has risen from 0% during periods of 2021/22 to 4%+ currently available for 3 to 6 month deposits. With Monetary Policy Committee meetings in February and probably March, the Bank of England predicts base rates to rise by a further 1%. This may lead to further gains in the interest budget.
- £150k gain from recovery of Housing Benefit overpayments.
- £700k cost pressure as reported to Cabinet on 25th January 2023 relating to the pay award for the current financial year

Service	Forecast outturn		
	<i>Expenditure</i>	<i>Income</i>	<i>Net</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Corporate & Improvement (incl. CDC)	32	216	248
EMT	(120)	-	(120)
Community	(100)	(12)	(112)
Customer	(116)	45	(71)
Environment	956	136	1,092
Place & Client	9	(162)	(153)
Total all services	661	223	884

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 2024/25 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 £1,000k as we haven't needed to borrow as planned given our higher cash balances and thus the ability to internally borrow, coupled with less borrowing than assumed in the budget due to slippage on the capital programme. In addition, we are achieving higher interest rates on our investments given the national rise in rates.
- 4.12 The budget includes an amount for the recovery of housing benefit overpayments, which is where claimants have been overpaid and we recover the money. We are forecasting £150k more income to be recovered than estimated in the budget.
- 4.13 As reported to Cabinet on 25th January 2023, the pay award for the current financial year has been reviewed, and the National Joint Council (NJC) increase of £1,925 has been applied to spinal columns points 4 to 32 from at April 2022, at an additional cost of £700k. This is being shown in this report as a corporate item, but will be reflected in individual service forecasts once the backdated pay has been processed in the payroll system in January (quarter 4).
- 4.14 Appendix D sets out details of all forecast variances against service budgets at the year-end totalling £884k. 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

- 4.15 The forecast outturn shows a potential net overspend of £434k. Further more detailed work will continue to be undertaken during Quarter 4 to ensure forecast outturn positions are robust.
- 4.16 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 final end of year position will be reported for scrutiny purposes and the impact of this on reserves will be considered by Cabinet as part of the budget strategy for 2024/25.

Housing Revenue Account

- 4.17 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 December 2022, the HRA is showing a net underspend of £10k compared to the profiled budget for the same period. This is primarily due to higher expenditure on Premises costs of £17k and lower expenditure on Supplies and Services of £134k compared to the profiled budgets, and £116k less income than budgeted.

Position to date

- 4.18 Premises related costs are showing an overspend of £17k as at the end of December 2022. Overall, there is a net overspend of £109k 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 is an overspend of £19k on Council Tax on empty properties, which are partially offset by underspends of £66k on Grounds Maintenance budgets and £38k on Utility and Water costs which relate to the timing of expenditure.

- 4.19 Supplies & Services costs are underspent by £134k at the end of December. There is a general underspend across most budget headings which primarily relate to the timing of expenditure, the main areas being £60k of IT costs and £161k relating to the project to implement our new housing management system, which are partially offset by overspends £72k on legal costs and £37k on subscriptions costs.
- 4.20 We have received £116k less income at the end of December 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

- 4.21 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, along with the challenging economic climate.
- 9.4 Leisure, parking and commercial income are very dependent on factors beyond the Council's control following the pandemic, 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 9 – 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	(105)	(63)	(168)	64	-	64
	Total	(105)	(63)	(168)	64	-	64
	Executive Management Team						
	EMT	(94)	-	(94)	(120)	-	(120)
	Total	(94)	-	(94)	(120)	-	(120)
	Community						
	Assistant Director Communities	-	-	-	-	-	-
	Licensing & Food Safety	(15)	64	49	(31)	36	5
	Community Safety	(4)	(7)	(11)	(1)	(63)	(64)
	Environmental Health Services	(25)	-	(25)	(18)	5	(13)
	Building Control	33	73	106	38	-	38
	Community Initiatives	(76)	(5)	(81)	(46)	(31)	(77)
	Private Sector Housing	(44)	75	31	(63)	83	20
	Bereavement Services	(23)	7	(16)	34	(58)	(24)
	Cultural Services	(16)	14	(2)	(13)	16	3
	Colchester Museums	(7)	(13)	(20)	-	-	-
	Subtotal	(177)	208	31	(100)	(12)	(112)
	Colchester & Ipswich Museums	64	(64)	-	143	(4)	139
	Total	(113)	144	31	43	(16)	27
	Customer						
	Assistant Director Customers	-	-	-	(1)	-	(1)
	Accounts & Debt	18	(4)	14	41	(6)	35
	Local Taxation & Business Rates	40	(50)	(10)	17	(88)	(71)
	Benefits & Hub	(59)	23	(36)	(15)	57	42
	Contact & Support Centre	46	5	51	7	-	7
	Electoral Services	5	1	6	28	1	29
	Customer Digital & Systems	(167)	-	(167)	(195)	-	(195)
	Land Charges	1	41	42	2	81	83
	Subtotal	(116)	16	(100)	(116)	45	(71)
	Benefits - Payments & Subsidy	1,114	1,627	2,741	-	(150)	(150)
	Total	998	1,643	2,641	(116)	(105)	(221)
	Environment						
	Assistant Director Environment	(7)	-	(7)	(17)	-	(17)
	Neighbourhood Services	451	330	781	913	318	1,231
	Car Parking	13	(182)	(169)	60	(182)	(122)
	Subtotal	457	148	605	956	136	1,092

		Position to date			Forecast Outturn		
	Area	Spend	Income	Net	Spend	Income	Net
		£'000	£'000	£'000	£'000	£'000	£'000
	Parking Partnership (NEPP)	347	604	951	384	28	412
	Total	804	752	1,556	1,340	164	1,504
	Place & Client						
	Assistant Director Place & Client	-	-	-	(11)	-	(11)
	Place Strategy	104	(115)	(11)	(37)	-	(37)
	Housing	89	(169)	(80)	(535)	(150)	(685)
	Planning	123	359	482	(15)	359	344
	Sustainability & Climate Change	(7)	(1)	(8)	(54)	-	(54)
	Subtotal	309	74	383	(652)	209	(443)
	<i>Company Related:-</i>						
	Client – Commercial Company	-	-	-	-	-	-
	Corporate Asset Management	119	54	173	161	30	191
	Commercial & Investment	38	(372)	(334)	8	(150)	(142)
	Sport & Leisure	123	(267)	(144)	492	(251)	241
	Total	589	(511)	78	9	(162)	(153)
	Corporate & Improvement						
	Assistant Director Corporate & Improvement	(43)	96	53	(35)	129	94
	Finance	(44)	4	(40)	(105)	-	(105)
	ICT	118	34	152	38	10	48
	People and Performance	(19)	52	33	(5)	77	72
	Governance	131	8	139	76	-	76
	Communications	-	-	-	(1)	-	(1)
	Total	143	194	337	(32)	216	184
	Total (excl. Benefits, NEPP & JMC)	697	(8)	689	661	223	884
	Total (all)	2,222	2,159	4,381	1,188	97	1,285

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	19,374	18,924	450	26,076	25,707	369
	Premises Related	5,911	5,896	15	8,357	7,884	473
	Transport Related	1,315	1,377	(62)	1,999	1,963	36
	Supplies & Services	6,529	6,032	497	9,472	9,399	73
	Third Party Payments	4,011	4,274	(263)	5,029	5,319	(290)
	Transfer Payments	416	356	60	475	475	0
	Capital Financing Costs	0	0	0	110	110	0
	Total	37,556	36,859	697	51,518	50,857	661
	Income						
	Government Grant	(500)	(499)	(1)	(628)	(535)	(93)
	Other Grants & Reimbursements	(2,546)	(2,523)	(23)	(3,846)	(3,853)	7
	Customer & Client Receipts	(17,320)	(17,282)	(38)	(22,388)	(22,697)	309
	Income-Interest	(132)	(186)	54	(248)	(248)	0
	Inter Account Transfers	0	0	0	0	0	0
	Total	(20,498)	(20,490)	(8)	(27,110)	(27,333)	223
	Net	17,058	16,369	689	24,408	23,524	884

Summary showing Overall Council budget and latest forecasts.

	2022/23 Original Budget	2022/23 – P9 Forecast	2022/23 – P9 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		434	434
Forecast Base Budget	21,875	22,309	434
<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)	(956)	(434)
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)	(22,309)	(434)
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 (14%) and consultancy underspend (16%).
Community				
Licensing and Food Safety	(31)	36	5	Employees forecast underspend of £39k (6%) due to a vacant post, savings on training and a grant fund contribution (COMF). Overspend of £8k on Vet fees for interim Zoo inspections is being fully recovered from the Zoo. Net income shortfall of £36k (6%) in Licensing, mainly PH vehicle licenses shortfall, advice fee income to new businesses shortfall, offset by Premises licences additional income.
Community Safety	(1)	(63)	(64)	Review of Community Safety balances and grant no longer required.
Environmental Health Services	(18)	5	(13)	Savings of £15k (3%) on salaries due to a vacant post, small underspend on mileage claims and consultancy fees. Income shortfall of £5k (7%) in stray dogs boarding and search fees.
Building Control	38	-	38	Forecasting salaries underspend of £78k (21%) due to several vacant posts. This is being offset by retention bonus payments of £14k (100%) and agency staff costs of £88k (100%). Further £15k (155%) overspend on outsourcing surveying services.
Community Initiatives	(46)	(31)	(77)	Forecast £62k (4%) underspend on staff and other general services due to external grant utilisation. Estimated £16k (100%) spend with no budget on Stanway Community Centre utilities and running costs before transferring to Parish Council.

Service Area	Variance			Comment
	Spend £'000	Income £'000	Net £'000	
				£31k grant income gain from claiming management costs of service.
Private Sector Housing	(63)	83	20	Forecasting £65k (13%) salaries underspend due to a PSH Officer vacant post and temporary reduction of officer's working hours. 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. £83k (40%) income shortfall mainly in civil penalties, redress scheme and electrical safety enforcement fees. Small gain in Healthy homes for internal re-charge.
Bereavement Services	34	(58)	(24)	Forecasting £19k (35%) overspend on music services (incl. web cast and recording), this is offset by an income derived from these services, currently forecasting £25k (97%) above income target. Estimated £38k (72%) more spend on energy due to rising prices. £17k (5%) saving on grounds maintenance costs. £3k (14%) net underspend on Assisted funerals, currently low demand but seeing a steady increase so underspend is unlikely to be sustained. £74k (5%) more income on cremations & other (partly due to Weeley crematorium being shut for 6 months but has now reopened). This is offset by £12k (5%) shortfall on burials.
Cultural Services	(13)	16	3	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 (39%) from advertising.
Colchester and Ipswich Museums (CIMS)	143	(4)	139	CIMS is a ring-fenced budget. Forecast underspend of £26k (1%) on staff costs. £88k (130%) gain on rebate received for rates. £211k (53%) overspend across supplies and services. This is due to planned spend of CIMS reserves for products and services from

Service Area	Variance			Comment
	Spend £'000	Income £'000	Net £'000	
				last year plus current year spend (AV repair and replacement, platform lift, exhibitions, fire alarm upgrade). Small gain in grant income– funder's review.
Customer				
Assistant Director Customer	(1)	-	(1)	Small underspend on employee costs.
Accounts & Debt	41	(6)	35	Overspends on employee costs within Procurement £37k (36%) and the Income and Corporate Debt team (due to pension strain costs of £21k (4%)) and Purchasing and Control £1k (1%) along with an overspend on printing costs of £4k (175%). These are partially offset by underspends on training £10k (55%), software licenses £6.5k (22%), IT equipment £4k (80%), central stationery £2k (50%). The income forecast variance relates to unbudgeted court fees recovered (100%).
Local Taxation & Business Rates	17	(88)	(71)	An overspend in Council Tax due to pension strain costs of £26k (10%) offset by an underspend on NNDR employee costs of £9k (7%) The income forecast variance relates to court fees recovered £51k (16%) and grant income of £37k (100%).
Benefits & Hub	(15)	57	42	Forecast underspends on IT costs in Technical Services (£18k) (16%) and The Community Hub (£6k) (100%) and offset by overspends on employee costs of £6k across the teams. The income variance relates to a shortfall in New Burdens income of £65k (35%) partially offset by £8k unbudgeted funding to support the Essex Household support grant work.
Contact Support Centre	7	-	7	An overspend on employee costs (0.67%).

Service Area	Variance			Comment
	Spend £'000	Income £'000	Net £'000	
Electoral Services	28	1	29	The majority of the forecast overspend relates to the in-year unscheduled by-elections costs amounting to £22k. Also, overspends within the Electoral Services team on employee costs of £4k (4%), mobile phones £1k (100%) and software licences £1k (4%). Electoral Registration forecasts £1k less income on sales of the Electoral Register (25%).
Customer Digital & Systems	(195)	-	(195)	£64k salary savings in the Project Team due to vacancies (25.63%) and £40k savings on licence implementation costs (28.24%). £91k 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 corporate infrastructure.
Land Charges	2	81	83	An overspend on software licences (8.77%) and shortfall on income (28.43%).
Benefits – Payments & Subsidy	-	(150)	(150)	Forecasting £150k additional income for the collection of Housing Benefit cash overpayments.
Environment				
Assistant Director Environment	(17)	-	(17)	Employee underspends (12.4%).
Neighbourhood Services	913	318	1,231	£50k employee overspends are forecast due to not having had sufficient vacant posts yet this year to achieve the budget target for vacancies and a £740k employee overspend is forecast to maintain key services in line with increased demand (20.21%). Due to prices reaching record highs a £159k overspend is forecast on fuel (23.7%). The recycling bags purchased for the annual delivery exceeded budget due to increased material costs and a £180k overspend is

Service Area	Variance			Comment
	Spend £'000	Income £'000	Net £'000	
				forecast for recycling kit which will be monitored against demand throughout the year (78.02%). Following global market fluctuations £91k less income derived from the sale of paper (13.49%) and £261k savings on associated contractor costs are forecast (31.3%). Recycling credits are forecast to be £124k (6.1%) less than the budget, and a further £109k shortfall of income is forecast on Market & Street Trading (60.24%).
Car Parking	60	(182)	(122)	Overspends on repairs and maintenance of £29k (58%), parking transaction/income charges £25k (50%), electricity £13k (21%), security £4k (40%) and insurance £1k (10%) offset by an underspend on NNDR costs of £11k (1%) and telephones £1k (31%). Parking income collectively is forecast to be £182k (6%) more than the budget.
North Essex Parking Partnership (NEPP)	384	28	412	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	(11)	-	(11)	A small variance is forecast on employee costs due to the PA vacant post (7.6%).
Place Strategy	(37)	-	(37)	Forecast underspend across employee costs due to vacant posts (4.6%) and small underspend across general spend (0.5%).
Housing	(535)	(150)	(685)	Forecast underspend across employee costs due to vacant posts (9%). Removal of £521k NHB Affordable Housing allocation and carry forward as not needed this year (100%), and additional use of £150k grant income in year.
Planning	(15)	359	344	Removal of £140k Local Design Code carry forward offsetting overspends forecast mainly due to £120k planning appeals cost

Service Area	Variance			Comment
	Spend £'000	Income £'000	Net £'000	
				(100%), staff transport costs (50%), publicity costs (7%) and IT software and subscription costs (21%). Planning fees income forecast is £359k less than full year budget, this has been profiled based on the previous 3 years income trend variance (26%). This will be reviewed every month.
Sustainability & Climate Change	(54)	-	(54)	Forecast underspend on employee costs due to vacant manager post (23%).
Corporate Asset Management	161	30	191	The forecast overspend has increased since last quarter with an overspend likely relating to unplanned works of c£50k on three council lifts, £22k urgent safety repairs to the Town Hall exterior walkway and roof, c£35k investigations into the Moot Hall ceiling damage as well as some pressures on other sites including Natural History Museum £6k, St. Marys Arts Centre £5k and some remaining clearance costs on Rowan House. NNDR relief is being sought to help offset these Rowan House 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	492	(251)	241	Expenditure pressures have been forecast on many supplies of £235k (28.7%), mainly due to inflation, and includes final costs around Pool View going live c£50k. The increase on premises costs is due to NNDR £140k (37%) and the forecasts for energy includes c£155k (25%) to the predicted outturn (Electricity £45k and Gas £108k). Employee costs are now forecast to exceed budget by £25k (1%)

Service Area	Variance			Comment
	Spend £'000	Income £'000	Net £'000	
				An overall income improvement of £251k (4.8%) is forecast at this stage of the year, and this is predominantly on Pools, Wet Side courses and secondary spend. Income figures are not yet reflecting any reduction due to the economic downturn.
Corporate & Improvement (incl. CDC)				
Corporate & Democratic Core	64	-	64	Forecast overspend on banking transaction charges (48%) and subscriptions (11%).
Assistant Director Corporate and Improvement	(35)	129	94	Assistant Director salary underspend due to restructure (40%). Delays to commencing projects to explore shared services mean the associated saving target will not be met (100%).
Finance	(105)	-	(105)	Underspends across salaries due to vacant posts while they are being appointed to (10%). £25k carry forward for system enhancements not needed this year.
ICT	38	10	48	Overspend forecast for one off consultancy and spend to support critical applications and deliver new corporate infrastructure (100%) offset by the underspends due to vacant posts (5%), under across Web and Development Team in Customer Services and one off saving on Microsoft payments due to timings (14%).
People & Performance	(5)	77	72	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 by removal of transformation funded Organisation Design Specialist budget of £49k, shared payroll service saving (25%) and staff travel plan (46%). Less income forecast from staff car parking due to home working while Rowan House is closed (89%).

Service Area	Variance			Comment
	Spend £'000	Income £'000	Net £'000	
Governance	76	-	76	Overspend forecast on employee costs due to agency fees to cover vacant posts and maternity cover (100%) and Hallkeeper casual costs due to external events and greater numbers of meetings (140%).
Communications	(1)	-	(1)	Small variance across employee budgets (0.10%).

December 2022	Current Period - December 2022			Forecast Year-End Position		
	Profiled Budget to Period 9 £'000	Actual to Period 9 £'000	Variance (under) / over £'000	Annual Budget £'000	Projected Outturn £'000	Variance (under) / over £'000
Account Description						
HRA - Direct & Non-Direct						
EXPENDITURE						
Employees	187	189	2	249	249	-
Premises Related	5,701	5,718	17	7,508	7,508	-
Transport Related	-	-	-	1	1	-
Supplies & Services	865	731	(134)	1,403	1,403	-
Third Party Payments	3,403	3,392	(11)	4,087	4,359	272
Transfer Payments	96	96	-	128	128	-
Support Services	2,577	2,577	-	3,420	3,420	-
Capital Financing Costs	-	-	-	15,400	15,062	(338)
TOTAL EXPENDITURE	12,829	12,703	(126)	32,196	32,130	(66)
INCOME						
Other Grants & Reimbursements	-	-	-	(139)	(139)	-
Customer & Client Receipts	(24,149)	(24,034)	115	(31,669)	(31,603)	66
Income-Interest	(1)	-	1	(12)	(12)	-
Inter Account Transfers	(41)	(41)	-	(58)	(58)	-
TOTAL INCOME	(24,191)	(24,075)	116	(31,878)	(31,812)	66
TOTAL NET - HRA	(11,362)	(11,372)	(10)	318	318	-