

# Report to Stronger Council Select Committee

**Date of meeting: 24th November 2022**

**Subject: Quarter 2 Budget Monitoring Report 2022/23**

**Portfolio Holder: Finance – Cllr. John Philip**

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## Recommendations/Decisions Required:

1. The General Fund revenue position at the end of Quarter 2 (30th September 2022) for 2022/23, including actions being undertaken or proposed to improve the position, where significant variances have been identified, be noted (*including Appendix A*).
2. The General Fund capital position at the end of Quarter 2 (30th September 2022) for 2022/23 be noted (*including Appendix B*).
3. The Housing Revenue Account revenue position at the end of Quarter 2 (30th September 2022) for 2022/23, including actions proposed to ameliorate the position, where significant variances have been identified, be noted; and
4. The Housing Revenue Account capital position at the end of Quarter 2 (30th September 2022) for 2022/23 be noted (*including Appendix C*).

## Executive Summary:

This report sets out the 2022/23 General Fund and Housing Revenue Account positions, for both revenue and capital, as at 30th September 2022 ("Quarter 2").

In terms of General Fund revenue expenditure – at the Quarter 2 stage – a budget overspend of £1.259 million, with projected net expenditure of £16.890 million against an overall budget provision of £15.631 million, is forecast.

As with Quarter 1, the Quarter 2 position is dominated by a range of substantial spending pressures, most notably:

- Inflation/Staff Budgets – a sharp increase in UK inflation since the budget was set is driving higher pay demands across both the public and private sectors. The Pay Settlement for 2022/23 was finalised in November 2022 with staff receiving an uplift of £1,925 at all pay grades, which equates to an average pay award in the region of 5.0% rather than the 2.0% award assumed in the budget. However, this is still being offset – to a large extent – by salary savings due to vacant posts. Senior officers are trying to contain net spending on staff salaries within budgeted cash limits for 2022/23, although it is a pressure that will have to be addressed in setting the budget for 2023/24; and
- Local Plan – the continued delay in finalising the Local Plan is causing a major shortfall in income received from Planning Applications. It is also a major factor in the delayed drawdown of Qualis loans due to planning delays on key development sites in the district; this is leading to a shortfall in income that the Council assumed from loan margins in the budget.

The current economic difficulties are also creating a range of other problems with inflation impacting on energy and contract costs, with rising interest rates also working against the Council.

The Funding position on the General Fund at the Quarter 2 stage is relatively stable, with latest forecasts generally on, or very close to budget assumptions, although Council Tax collection rates achieved so far are suggesting that the Council could suffer a shortfall (compared to budget) of £127,000 (£165,000 in Quarter 1) in payments that it receives from preceptors as part of the Essex Council Tax Sharing Agreement (CTSA).

Members attention is drawn to the Council's draft Balance Sheet position as at 31st March 2022, which is showing an unallocated General Fund Reserve (contingency balance) of £4.070 million. If the year-end forecast spending and funding position in this report is accurate – notwithstanding any other reserve adjustments – the balance will fall to £3.0 million, which is significantly below the Council's formally adopted contingency balance of £4.0 million.

Despite facing the same challenges as the General Fund in many respects (especially the impact of inflation on staffing and energy costs), the Housing Revenue Account (HRA) is projected to record a budget underspend of £4.043 million, primarily driven by slippage in the Housing Development Programme; this is leading to significantly reduced borrowing costs and revenue contributions to capital.

If the overall forecast materialises, the HRA Balance will end the year at £4.530 million (the adopted minimum contingency balance in the HRA Business Plan is £2.0 million).

Turning to capital spending:

- *General Fund Capital Programme* – spending in the first 6 months was £1.247 million, with a forecast outturn of £26.562 million, which – if this materialises – would lead to an underspend of £91.594 million. The drawdown on Qualis loans is lower than the budget and is the most significant variance (£77.997 million); and
- *Housing Revenue Account Capital Programme* – spending in the first 6 months was £5.601 million, with a forecast outturn of £21.997 million, which – if this materialises – would lead to an underspend of £30.502 million. Slippage on the Housing Development Programme is the most notable factor.

## 1) Background and Introduction

1.1 The Council's budget for 2022/23 (both General Fund and Housing Revenue Account) was approved by full Council on 24th February 2022. This report updates the Stronger Council Select Committee on how the Council's services have performed against their budgets in the first three months of the financial year, and projects forward to the anticipated outturn for the end of the financial year.

1.2 This is the second update for 2022/22 and includes the General Fund and Housing Revenue Account positions, for both revenue and capital, as at 30th September 2022 ("Quarter 2").

## 2) General Fund Revenue Budget

### Net Expenditure

2.1 The General Fund **net expenditure** position for 2022/23, at the Quarter 2 stage – summarised by service area – is presented in **Appendix A**. The headline is a forecast budget overspend of £1.259 million, with projected net expenditure of £16.890 million against an overall budget provision of £15.631 million. The table below summarises the position by service.

<b>GF Net Expenditure Budget 2022/23 (Quarter 2)</b>			
<b>Description</b>	<b>Budget 2022/23</b>	<b>Forecast Spending (31/03/23)</b>	<b>Variance</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
Chief Executive	658	655	(3)
Commercial & Technical	139	673	534
Community & Wellbeing	1,783	1,617	(166)
Corporate Services	9,763	9,355	(408)
Customer Services	2,255	2,356	101
Finance & Audit	2,411	2,494	83
Housing & Property	1,849	1,882	33
Place	375	287	(88)
Planning & Development	1,480	2,029	549
Strategy, Delivery & Performance	850	778	(72)
Qualis	(2,909)	(1,965)	944
HRA Recharges	(5,225)	(5,352)	(127)
Financing	2,202	2,081	(121)
<b>Totals (Net Expenditure)</b>	<b>15,631</b>	<b>16,890</b>	<b>1,259</b>

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

- **Qualis Income (£944,703 forecast Overspend)** – the continued delay in finalising the Local Plan is having a detrimental impact on anticipated income from the margins that the Council generates from Qualis loans, with the pace of drawdowns being dampened by planning delays on key development sites. Rising interest rates have also been driving up the cost of PWLB borrowing for the Council, which is expected to put a further squeeze on loan margins. The combined impact is driving a forecast budget shortfall of £944,703
- **Planning & Development (£548,939 forecast Overspend)** – the delayed Local Plan is also causing substantial pressure on the Planning & Development budget, with many developers delaying the submission of planning proposals pending formal adoption of the Plan. The 2022/23 budget was prepared based on available intelligence at the time; this included the assumption that the finalised Local Plan would be in place for substantially all of the financial year and generate £1,711,780 in income from Planning Applications. The Local Plan is now not expected to be finalised before early 2023. Forecast income from Planning Applications in 2022/23 is now £1,100,000, thus driving a negative variance of £548,939; and

- **Commercial & Technical (£533,911 forecast Overspend)** – a combination of factors is leading to a projected overspend of £533,911 on this directorate, which contrasts with a small surplus of £32,094 projected at the Quarter 1 stage. This is despite a significant underspend projected on Waste Management driven by additional Recycling Income (see Paragraph 2.4 below for explanation). In terms of cost pressures, the Land and Property service group is forecast to overspend by £332,478, with a projected shortfall in Rental Income from Commercial Property of £243,390 being the largest factor (this includes a shortfall at Epping Forest Shopping Park of £136,390 due to the accounting treatment of rent-free incentives). In addition, the “Contracts & Technical Support Services” and “Cost Centres – Contracts & Technical” services groups are projecting overspends of £310,829 and £219,317 respectively. These are both linked to Fleet Operations Recharges with a combined charge of £181,130 offset by a credit for the same amount in the Car Parking service group (the impact is cost neutral on the General Fund). The largest other budget pressures are Agency Staff due to recruitment difficulties for permanent posts (£60,000 cost in Contracts & Technical Support Services; partially offset – by £31,235 – by savings on the corresponding permanent staff budget) and additional Consultancy Costs triggered by the new Waste Management contract procurement exercise (£65,000 in Costs Centres – Contracts & Technical). Despite the Fleet Charges credits as mentioned above, the Car Parking service group is still projecting an overspend of £134,663, with the most significant item being a forecast shortfall of £99,893 in Long-Stay Car Parking income.
- **Customer Services (£101,372 forecast Overspend)** – a combination of relatively small items is responsible for the forecast overspend in the Customer Services service group. Overspending of £43,270 on the Customer Support Services cost centre, driven by underlying additional Staff costs of £49,236, due to the additional pay award (see Paragraph 2.4 below), is the most significant factor.

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

- **Corporate Services (£407,593 forecast Underspend)** – the forecast surplus on Corporate Services is dominated by two substantial underspends. Firstly, the ICT cost centre is projected to underspend by £227,851. A detailed review of all ICT budget lines has been undertaken in the light of the corporate position; this has led to the modification of operational plans in some instances (triggering a combined saving of £51,890 on Professional and Consultants Fees for example). A wide range of other small budget savings have also been identified for different reasons. Most notable in terms of size, is a forecast underspend of £44,880 on the budget for the “Rendezvous” (booking) system, following the identification and implementation of “Symity” as a replacement solution at significantly lower cost. And secondly, as reported in Quarter 1, there is a significant saving anticipated on Insurance Premiums following the commencement of the new Insurance contract (Quarter 2 net underspend estimated at £182,343, including leaseholder recharges).
- **Community & Wellbeing (£165,663 forecast Underspend)** – savings on staff costs is the underlying theme in the forecast underspend in this directorate; the Museums service is currently carrying three staff vacancies (impact £84,667) and the recent promotion of the Service Director to Strategic Director (paid from the Chief Executive’s budget) is projected to result in a further underspend of £53,530.
- **HRA Recharges (£127,230 forecast Underspend)** – rising costs (exceeding budgets) – especially on staffing – are expected to feed through to higher Recharges from the General Fund to the Housing Revenue Account at the year end.

- **Financing Costs (£121,881 forecast Underspend)** – rising interest rates are having a significant impact on Financing Costs this year, which is resulting in higher borrowing costs. However, substantial slippage in the General Fund Capital Programme (reported below in Paragraph 5.1) is slowing down the need to borrow in this financial year, thus dampening the impact. Conversely, the higher interest rates now paid by Money Market Funds are increasing the returns that the Council makes from investing its short-term cash balances, with income from this source now forecast at £179,879 for the year, compared to a budget of £50,000 (generating a surplus of £129,879).

2.4 Members attention is also drawn to the following:

- **Staffing Budgets** – the budget for 2022/23 was set based on the assumption that staff would receive an annual pay award of 2.0% (plus a small contingency of 0.25%). Unfortunately – since the budget was developed and adopted – UK inflation (in common with the rest of the world) – has risen sharply; the UK Consumer Prices Index (CPI) for October 2022 was 11.1%, which is the highest rate for 41 years. The exceptionally high inflation rate is driving increased pay demands across both the public and private sector. Local government pay negotiations for 2022/23 have now concluded, with the employers' final offer of £1,925 to all employees (irrespective of base salary) accepted by the unions and awarded to employees. This (broadly and typically) equates to a 5.0% pay award for the average Epping Forest District Council employee and is driving an overall cost pressure of up to £800,000 on the Council's base budget, which is embedded in the forecast. The figures also include a range of staff savings, primarily due to temporary vacancies (dampened by agency backfilling costs in some cases). The net impact varies significantly from one service area to another. Senior officers are now working together to contain overall staffing costs within budget for 2022/23, whilst simultaneously developing and delivering savings proposals – including staff savings – as part of addressing the 2023/24 budget deficit. It should be noted that, even if all of the staff budget pressure for 2022/23 can be offset by savings, the 2023/24 budget will still require additional growth to the base budget to reflect the higher pay award.
- **Energy Costs** – at the time of preparing this report, there is an intense media spotlight on the spiralling worldwide cost of energy including the UK. Most of the Council's exposure to increased energy costs falls within the HRA (a £237,000 pressure embedded in Supervision and Management costs in table below at Paragraph 4.1). Gas and Electric budgets in the General Fund for 2022/23 total £279,720. The Council has had some protection from price rises in the form of forward contracts so far in 2022/23 and, at this stage, a limited overspend of £59,410 (including the use of £50,000 of a £62,500 contingency) has been assumed. A more detailed review of projected energy costs is being undertaken by Property Services officers at the time of preparing this report; an updated projection will be presented in the Quarter 3 report; and

- Recycling Income** – although the Commercial & Technical Services directorate is forecast to record a deficit £533,911 at this stage, there is an underspend of £618,313 on the Waste Management service underlying the net position (as summarised in **Appendix A**). The dominant factor is an anticipated net underspend of £613,262 on the Recycling contract, primarily due to an income surplus, which is the result of a substantial increase in market rates for recyclable materials (embedded in the contract for 2022/23); total receipts from this source are now expected to exceed original expectations by £541,000. Some further (smaller) cost savings are also anticipated on Recycling, as some budgeted Covid-related costs will no longer be incurred. At the time of preparing this report, market rates for recyclable materials remain strong and the prospects for the 2023/24 budget are therefore positive. However, attention is drawn to the most recent Medium-Term Financial Plan (MTFP) 2023/24 to 2027/28 approved by Cabinet on 10th October 2022, which identifies a major cost pressure – estimated at £1.3 million per annum – expected to impact from December 2024, with the letting of the new Waste Collection contract; a stronger market for recyclable materials would help dampen this cost pressure. It should also be noted that an 11% uplift on the Waste Collection contract has been absorbed in the overall Waste Management forecast (effective from 1st November 2022), representing a forecast cost pressure of £189,000 for 2022/23 (circa £450,000 per annum). Again, it should be noted that the 2023/24 budget will require additional growth to the base budget to reflect the underlying effects of the higher inflation rate on the Waste Collection contract.

### **Funding**

2.5 The General Fund **funding** position for 2022/23, at the Quarter 2 stage is summarised in the table below.

<b>GF Funding Position 2022/23 (Quarter 2)</b>			
<b>Source Description</b>	<b>Budget Assumption 2022/23</b>	<b>Forecast (31/03/23)</b>	<b>Variance</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
Council Tax	(8,639)	(8,639)	0
Business Rates	(5,011)	(5,042)	(31)
Collection Fund Adjustments	(165)	(165)	0
Council Tax Sharing Agreement (CTSA)	(948)	(821)	127
New Homes Bonus	(776)	(776)	0
Lower-Tier Services Grant	(149)	(149)	0
2022/23 Services Grant	(229)	(229)	0
Other Grants (General)	0	0	0
Credit Loss Adjustment	(51)	0	51
Contribution to/(from) Reserves	337	(1,069)	(1,406)
<b>Total Funding</b>	<b>(15,631)</b>	<b>(16,890)</b>	<b>(1,259)</b>

2.6 The funding position continues to be mixed for the General Fund in Quarter 2. The Business Rates position has been relatively stable, with the projected Pooling benefit retained from Q1 at this stage (Essex Pool Q2 position not released at the time of preparing this report) of £562,000 compared to the budget assumption of £531,000 (up £31,000). Council Tax collection has not been performing quite as well as expected, with slightly lower CTSA payments of £783,000 now anticipated (although up £38,000 compared to Q1). The Council received a larger than anticipated Credit Loss Adjustment (CLA) in its 2021/22 Accounts following an updated Fair Value review of the original Qualis Working Capital Loan. However, following the recent further advance of £1.3 million to Qualis (as part of the 'revolving credit facility'), it is now assumed that a CLA will not be available to support the budget for 2022/23. But it should be noted that a range of variable factors underlying the calculation mean that this is an estimate that can fluctuate significantly (a CLA charge to the General Fund Reserve could potentially materialise).

### 3) General Fund Reserves

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

3.1 The negative outlook of £1.259 million on net expenditure summarised and explained in paragraphs 2.1 to 2.4, and the funding position presented in paragraphs 2.5 to 2.6 above means that – if the forecasts materialise as presented – it will not be possible to contribute £0.337 million to the General Fund (unallocated) Reserve as assumed in setting the budget. Instead, there will be a contribution requirement of £1.069 million from the Reserve to support the budget (as presented in the table in Paragraph 2.5 above). The forecast impact on the General Fund Reserve is presented in the table below.

<b>Movement on General Fund Reserve: Quarter 2 2022/23</b>	
<b>Description</b>	<b>£000's</b>
General Fund Balance 31st March 2022 (pre-audit)	4,070
Contribution from Reserves 2022/23 (Q2 forecast)	(1,069)
<b>General Fund Balance 31st March 2023 (Q2 forecast)</b>	<b>3,001</b>

3.2 Members are reminded that the Council's unallocated General Fund Reserve is a contingency balance and, following the Section 151 Officer's recommendation in accordance with Section 25 of the Local Government Act 2003, the Council approved the maintenance of a minimum balance of £4.0 million in February 2022.

#### **Earmarked Reserves**

3.3 In addition to the General Fund Net Expenditure budget (£15,631,000 for 2022/23), the Council also incurs further expenditure on a range of other projects and facilities funded from Earmarked Reserves (which are topped up from third party sources – including grants – and internal appropriations). Activity has been relatively subdued so far this year and – at the Quarter 2 stage (30th September 2022) – the Council has received £0.323 million and spent £0.347 million, leaving a balance of £2.664 million. The Movement on General Fund Earmarked Reserves is summarised in the table below.

<b>Movement in General Fund Earmarked Reserves (April to September 2022)</b>				
<b>Description</b>	<b>Opening Balance 01/04/22</b>	<b>Income</b>	<b>Expenditure</b>	<b>Closing Balance 30/09/22</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
District Development Fund (DDF)	(612)	(80)	93	(599)
Community Projects	(597)	(243)	149	(691)
<i>Other Reserves:</i>				
All Weather Pitch	(119)	0	0	(119)
Garden Town	(82)	0	2	(80)
Insurance	(150)	0	0	(150)
Invest to Save	(203)	0	0	(203)
Museum	(110)	0	0	(110)
North Weald Inland Port	(660)	0	98	(562)
Staff Benefits Fund	(39)	0	5	(34)
Other Ongoing Projects	(116)	0	0	(116)
<b>Totals</b>	<b>(2,688)</b>	<b>(323)</b>	<b>347</b>	<b>(2,664)</b>

*\*Excludes statutory ring-fenced and other reserves used for accounting purposes*

3.4 The Community Projects Reserve comprises twenty different project categories and is easily the Council's most 'active' reserve. It now includes two new initiatives (the "PCN" and "Buxton" projects), which commenced in 2022/23. It should be noted that the contribution into the DDF represents partner contributions towards the "Essex & Herts Digital Innovation Zone (DIZ). The closing balance on the DDF includes £136,935 in unallocated funds.

#### **4) Housing Revenue Account (revenue)**

4.1 The Housing Revenue Account (HRA) revenue position for 2022/23, at the Quarter 2 stage, is summarised in the table below. As at 30th September 2022, a £4.043 million underspend is forecast for the year end, with projected net surplus of £0.366 million compared to an overall budget provision (planned deficit) of £3.677 million.

<b>HRA Budget 2022/23 (Quarter 2)</b>			
<b>Description</b>	<b>Budget 2022/23 (Updated)</b>	<b>Forecast Spending (31/03/23)</b>	<b>Variance</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
<b>EXPENDITURE</b>			
Supervision & Management (General)	6,976	7,170	194
Supervision & Management (Special)	4,111	4,305	194
Rents, Rates, Taxes & Insurances	504	484	(20)
Repairs & Maintenance	9,418	10,080	662
<b>Management &amp; Maintenance</b>	<b>21,009</b>	<b>22,039</b>	<b>1,030</b>
Capital Charges	8,958	8,958	0
Treasury Management Expenses	58	38	(20)
Provision for Bad/Doubtful Debts	93	93	0
<b>Total Expenditure</b>	<b>30,118</b>	<b>31,128</b>	<b>1,010</b>
<b>INCOME</b>			
Dwelling Rents	(34,973)	(35,349)	(376)
Non-Dwellings Rents	(843)	(769)	74
Charges for Services & Facilities	(1,228)	(1,334)	(106)
Contributions from General Fund	(368)	(368)	0
<b>Total Income</b>	<b>(37,412)</b>	<b>(37,820)</b>	<b>(408)</b>
<b>Net Cost of Services</b>	<b>(7,294)</b>	<b>(6,692)</b>	<b>602</b>
Interest on Receipts and Balances	(6)	(6)	0
Interest Payable on Loans	5,613	5,362	(251)
<b>Net Operating Income</b>	<b>(1,687)</b>	<b>(1,336)</b>	<b>351</b>
<i>Appropriations:</i>			
Direct Revenue Contributions to Capital	5,364	970	(4,394)
<b>(Surplus)/Deficit for Year</b>	<b>3,677</b>	<b>(366)</b>	<b>(4,043)</b>

4.2 The HRA outturn for 2021/22 included an underspend of £140,000 on the ring-fenced revenue project "More than Bricks and Mortar" (a scheme primarily aimed at achieving infrastructure improvements on housing estates). Consequently, the unspent budget has been rolled forward and added to the 2022/23 budget agreed by Council in February 2022. The table below reconciles the updated and original budgets.

<b>HRA Budget Reconciliation 2022/23: Quarter 2</b>	
<b>Description</b>	<b>Value (£000's)</b>
<b>(Surplus)/Deficit for Year (approved by full Council 24/02/22)</b>	<b>3,537</b>
<i>Brought forward project budget from 2021/22:</i>	
“More than Bricks and Mortar” Estate Improvement Scheme	140
<b>Total Budget Additions (@ Quarter 2)</b>	<b>140</b>
<b>(Surplus) / Deficit for Year (updated Budget 2022/23 @ Quarter 2)</b>	<b>3,677</b>

4.3 There are four significant factors behind the forecast as follows:

- **Direct Revenue Contributions (£4.694 million forecast Underspend)** – the dominant factor in the overall underspend, is an anticipated significant reduction in Contributions to Capital due to slippage in the HRA Capital Programme
- **Repairs and Maintenance (£0.662 million forecast Overspend)** – there are numerous items contributing to the variance, the largest of which relates to higher than anticipated repair costs on Blocks and Communal Areas (variance £258,000)
- **Dwelling Rent (£0.376 million forecast Underspend)** – improvements in void turnaround times is leading to rental income levels exceeding budget; and
- **Interest Payable on Loans (£0.251 million forecast Underspend)** – the HRA capital spend in 2021/22 was lower than expected, thereby negating the need for additional borrowing, and reducing the associated interest payable in this – the 2022/23 – financial year.

4.4 Members should note that the current HRA Business Plan includes the assumed maintenance of a minimum balance of £2.0 million in the HRA reserve; as at 31st March 2022, the balance was £4.164 million, which reflected an overspend on HRA Net Operating Income of £1.375 million in 2021/22 (reported to Cabinet and Stronger Council Select Committee in July 2022).

<b>Movement on HRA Balance: Quarter 2 2022/23</b>	
<b>Description</b>	<b>£000's</b>
HRA Balance 31st March 2022 (pre-audit)	4,164
2021/22 Roll Forward (Para 4.2)	(140)
2022/23 Budget (Deficit) – full Council 24th February 2022 (Para 4.2)	(3,537)
2022/23 Net Operating Income Forecast Variance Q2 (Para 4.1)	(351)
2022/23 Reduction in Capital Contributions Q2 (Para 4.1)	(4,394)
<b>HRA Balance 31st March 2023 (Q2 forecast)</b>	<b>4,530</b>

## 5) General Fund Capital Programme

5.1 The General Fund Capital Programme for 2022/23 as at 30th September 2022 is summarised – at a service level – in the table below. A more detailed analysis – at a scheme level – is included in **Appendix B**. The updated Programme budget totals £118.156 million. Spending in the first 6 months was £2.247 million, with a forecast outturn of £26.562 million, which – if this materialises – would lead to an underspend of £91.594 million.

General Fund Capital Programme 2022/23 (Quarter 2)					
Description	Budget 2022/23 (Updated)	Spending (@ 30 September 2022)	Remaining Budget (@ 30 September 2022)	Forecast Spending (31/03/23)	Variance (Under) / Over
	£000's	£000's	£000's	£000's	£000's
Community & Wellbeing	770	0	770	0	(770)
Commercial & Technical	16,277	975	15,302	4,131	(12,146)
Corporate Services	3,525	239	3,286	3,062	(463)
Customer Services	160	0	160	80	(80)
Housing (General Fund)	500	33	467	362	(138)
Place	677	0	677	677	0
Qualis Loans	96,247	1,000	95,247	18,250	(77,997)
<b>Total Expenditure</b>	<b>118,156</b>	<b>2,247</b>	<b>115,909</b>	<b>26,562</b>	<b>(91,594)</b>
<i>Capital Financing:</i>					
Borrowing	113,692	1,000	112,692	24,282	(89,410)
Capital Grants	971	440	531	880	(91)
Capital Receipts	3,493	807	2,686	1,400	(2,093)
<b>Total Financing</b>	<b>118,156</b>	<b>2,247</b>	<b>115,909</b>	<b>26,562</b>	<b>(91,594)</b>

5.2 A General Fund Capital Programme budget of £72.308 million was approved by Council in February 2022. A net total of £45.848 million in unspent budgets have been rolled forward from 2021/22, resulting in an updated Programme budget of £118.156 million.

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

- **Qualis (£77.997 million forecast Underspend)** – as described in Paragraph 2.2, the drawdown of Qualis loans has been slower than envisaged at the time of preparing the Capital Programme, primarily due to planning delays on development sites; and
- **Commercial and Technical (£12.146 million forecast Underspend)** – there are two big projects driving the underspend, and one other matter to note as follows:
  - Epping Forest Leisure Centre – the Leisure Centre is a long-term project with an overall budget of £25.0 million (with spending of £10.937 million profiled for 2022/23). However, projected spending for 2022/23 is now a much reduced £0.250 million, resulting in a forecast underspend of £10.687 million. Qualis are in the process of developing a Multi-Storey Car Park on land adjacent to the Leisure Centre site; until this is complete, the development of the Leisure Centre cannot commence; and

- Cartersfield Road – this project has a budget of £1.436 million for 2022/23. However, anticipated spend of just £0.359 million is now anticipated, resulting in an underspend of £1.077 million. There has been some progress on the project. However, project delays have been experienced as the Council continues to seek vacant possession from some long-term tenants; comprehensive vacant possession is required for the site before capital works can commence.

5.4 Members should also note the acquisition of the lease on the former Prince of Wales public house in Loughton at a cost of £687,500 (Delegated Decision Ref. HAC-003-2022/23) during Quarter 2. The asset is currently included within the General Fund (see Appendix B) pending transfer to the HRA for the purposes of Housing Development.

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

6.1 The Housing Revenue Account (HRA) Capital Programme for 2022/23 as at 30th September 2022 is summarised in the table below. A more detailed analysis – at a scheme level – is included in **Appendix C**. The updated Programme budget totals £52.499 million. Spending in the first 6 months was £5.601 million, with a forecast outturn of £21.997 million, which – if this materialises – would lead to an underspend of £30.502 million.

<b>HRA Capital Programme 2022/23 (Quarter 2)</b>					
<b>Description</b>	<b>Budget 2022/23 (Updated)</b>	<b>Spending (@ 30 September 2022)</b>	<b>Remaining Budget (@ 30 September 2022)</b>	<b>Forecast Spending (31/03/23)</b>	<b>Variance (Under) / Over</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
Housing Development	28,809	1,918	26,891	5,669	(23,140)
Capital Works	16,314	3,391	12,923	13,265	(3,049)
Other Housing Schemes	7,376	292	7,084	3,063	(4,313)
<b>Total Expenditure</b>	<b>52,499</b>	<b>5,601</b>	<b>46,898</b>	<b>21,997</b>	<b>(30,502)</b>
<i>Capital Financing:</i>					
Direct Revenue Contributions	5,364	0	5,364	970	(4,394)
Major Repairs Reserve	14,613	4,368	10,245	18,293	3,680
Capital Receipts	5,970	767	5,203	2,268	(3,702)
Other Contributions	466	466	0	466	0
Borrowing	26,086	0	26,086	0	(26,086)
<b>Total Financing</b>	<b>52,499</b>	<b>5,601</b>	<b>46,898</b>	<b>21,997</b>	<b>(30,502)</b>

6.2 An HRA Capital Programme budget of £47.790 million was approved by Council in February 2022. A net total of £4.709 million in unspent budgets have been rolled forward from 2021/22, resulting in an updated Programme budget of £52.499 million for the year.

6.3 There are three significant areas of underspending/slippage on the HRA Capital Programme at the Quarter 2 stage. Thus:

- **Housing Development (£23.140 million forecast Underspend)** – there are two elements to note:
  - **Housebuilding** – the programme for Housebuilding has a total budget of £15.598 million for 2022/23. The forecast outturn is £5.870 million, which – if this materialises – would lead to an underspend of £9.728 million at year end. Several schemes have encountered planning issues and delays, including two schemes (“Pentlow” and “Woollard”), which were originally expected to be completed in Spring and Summer 2022, but are now anticipated in early 2023. A further two large schemes at Chequers B and Ladyfields, with combined anticipated spend of over £8.0 million, are currently subject to planning consent and are not expected to commence until late 2023/24; and
  - **Qualis Acquisitions** – the budget allocation for this scheme in 2022/23 was £10.461 million. No spend is now expected this year resulting in an underspend of the full budget £10.461 million. Qualis have experienced delays in planning consents which initially halted works; although permissions have now been granted and works are due to commence soon. Negotiations have taken place regarding the purchase of some units once completed, although this may be less than originally planned and not until 2023/24.
- **Capital Works (£3.049 million forecast Underspend)** – there have been delays in the delivery of Capital Works following the restructure of the Property Assets Team and the introduction of new working practices. One significant underspend (Electrical Works of £1.078 million) includes an allocated budget of £1.0 million to match fund a bid to the Social Housing De-Carbonisation Fund in partnership with E-On; the results will be announced in February 2023, and if successful, the works are likely to commence in 2023/24.
- **Other Housing Schemes (£4.313 million forecast Underspend)** – there are two regeneration projects primarily driving this variance:
  - **Limes/Copperfield Regeneration** – this project has a profiled budget of £2.772 million for 2022/23. The projected outturn on the scheme in 2022/23 is £2.042 million, which – if this materialises – would lead to an underspend of £0.730 million. There have been some initial setbacks related to the tender report however, at the time of reporting, signed contracts are imminent with works expected to follow quickly afterwards. The project straggles the financial year end, therefore the £0.730 underspend will be re-profiled to be spent in 2023/24; and
  - **Broadway Regeneration** – this project has a total budget of £2.750 million in 2022/23, of which only a very small proportion is expected to be spent (on fees) this financial year resulting in a forecast underspend of £2.676 million. The project is now expected to be delivered in 2023/24.

6.4 The HRA Capital Programme is financed from several sources; external sources such as Grants and Capital Receipts are prioritised and applied first, followed by internal resources such as the Major Repairs Reserve and HRA Revenue contributions. The approach minimises the need to borrow and helps protect the HRA from higher interest payments. The forecast underspend on the Programme has an impact on all sources of financing with the most significant being a £26.086 million reduction in the need to borrow in 2022/23.

**Reason for Decision:**

This report facilitates the scrutiny of the Council's financial position for 2022/23.

The comments made at this Committee, where relevant, will be reported to Cabinet for consideration at their meeting on 12th December 2022.

**Options:**

There are no matters for decision in this report. The Committee is asked to note the contents but may choose to take further action depending on the matters reported.

**Resource Implications:**

The resource implications in this report are overwhelmingly financial in nature, in the form of budgetary control. Robust budget monitoring processes maximise the opportunity for services to react quickly to potential problems as they emerge, thus reducing the risk of financial problems, impeding the delivery of strategic priorities.

**Legal and Governance Implications:**

The Council has a statutory obligation to maintain a balanced budget and the monitoring process enables the Committee to remain aware of issues and the process to be taken to maintain a balanced budget.

**Safer, Cleaner, Greener Implications:**

There are no SGS implications.

**Consultation Undertaken:**

The development of the detailed 2022/23 budget was informed by the democratic scrutiny processes.

**Background Papers:**

Management Accounts 2022/23 (Month 6)

**Risk Management**

The report is primarily presented for information only and has no direct risk management implications, although regular monitoring and reporting of the type included in this report ensures early warning of significant issues that may place the Council at financial risk. This gives the Cabinet the best opportunity to take actions to mitigate such risks.

## General Fund Revenue Budget 2022/23

## Quarter 2 Forecast

Epping Forest DC: General Fund Revenue Budget 2022/23							
@ 30 September 2022 (Month 6)							
<b>General Fund</b>							
Service Area	Activity	Full Year Budget £'s	Net Expenditure			Forecast £'s	Variance £'s
			Budget (M6) £'s	Actual £'s	Variance £'s		
<b>Chief Executive</b>	Chief Executive Support Services	532,530	266,265	259,607	(6,658)	560,638	28,108
	Corporate Activities	75,820	37,910	49,575	11,665	69,007	(6,813)
	Chief Executive Other Activities	50,000	25,000	-	(25,000)	25,000	(25,000)
	<b>Sub-Total</b>	<b>658,350</b>	<b>329,175</b>	<b>309,182</b>	<b>(19,993)</b>	<b>654,645</b>	<b>(3,705)</b>
<b>Commercial &amp; Technical Services</b>	Car Parking	(894,030)	(447,015)	(501,635)	(54,620)	(759,367)	134,663
	C&T Community & Partnership	232,330	116,165	83,381	(32,784)	234,710	2,380
	Contracts & Technical Support Services	1,810,440	905,220	1,020,340	115,120	2,121,269	310,829
	Cost Centres - Contracts & Technical	3,325,580	1,662,790	1,481,724	(181,066)	3,544,897	219,317
	C&T Emergency Planning & Other	2,500	1,250	2,400	1,150	5,600	3,100
	Environmental Health	232,250	116,125	71,163	(44,962)	232,512	262
	Land Drainage/Sewerage	129,830	64,915	36,385	(28,530)	128,790	(1,040)
	Land & Property	(7,688,610)	(3,844,305)	(3,586,294)	258,011	(7,356,132)	332,478
	Leisure Facilities	(1,215,530)	(607,765)	(466,001)	(141,764)	(1,084,319)	131,211
	North Weald Centre	(1,152,230)	(576,115)	(578,377)	(2,262)	(1,265,017)	(112,787)
	Parks & Grounds	471,920	235,960	38,100	(197,860)	519,410	47,490
	Private Sector Housing	(96,790)	(48,395)	2,858	51,253	(24,549)	72,241
	C&T Regulatory Services	(255,480)	(127,740)	(101,364)	26,376	(243,400)	12,080
	Waste Management	5,236,990	2,618,495	1,579,624	(1,038,871)	4,618,677	(618,313)
	<b>Sub-Total</b>	<b>139,170</b>	<b>69,585</b>	<b>(916,696)</b>	<b>(986,281)</b>	<b>673,081</b>	<b>533,911</b>
<b>Community &amp; Wellbeing</b>	Community, Health & Wellbeing	120,340	60,170	(55,470)	(115,640)	92,147	(28,193)
	Cost Centres - Community & Wellbeing	457,670	228,835	225,274	(3,561)	465,941	8,271
	Economic Projects Support Serv	198,290	99,145	99,538	393	144,760	(53,530)
	Homelessness	73,000	36,500	(661,413)	(697,913)	65,456	(7,544)
	Museum, Heritage & Culture	682,640	341,320	300,817	(40,503)	597,973	(84,667)
	Voluntary Sector Support	250,740	125,370	117,801	(7,569)	250,740	-
	<b>Sub-Total</b>	<b>1,782,680</b>	<b>891,340</b>	<b>26,546</b>	<b>(864,794)</b>	<b>1,617,017</b>	<b>(165,663)</b>
<b>Corporate Services</b>	Business Support	1,925,860	962,930	840,020	(122,910)	1,986,528	60,668
	Cost Centres - Corporate Support	335,600	167,800	166,558	(1,242)	335,807	207
	Elections	222,460	111,230	136,306	25,076	200,141	(22,319)
	Emergency Planning & Other	115,840	57,920	39,056	(18,864)	85,427	(30,413)
	ICT	3,810,130	1,905,065	2,500,666	595,601	3,582,279	(227,851)
	Insurance Premiums	810,060	405,030	799,622	394,592	623,288	(186,772)
	Corp Serv - Member Activities	381,760	190,880	178,375	(12,505)	376,610	(5,150)
	Other Support Services	1,866,960	933,480	821,173	(112,307)	1,853,294	(13,666)
	Strategy Support Services	294,150	147,075	152,145	5,070	311,852	17,702
	<b>Sub-Total</b>	<b>9,762,820</b>	<b>4,881,410</b>	<b>5,633,922</b>	<b>752,512</b>	<b>9,355,227</b>	<b>(407,593)</b>
<b>Customer Services</b>	Cost Centres - Customer Services	2,472,370	1,236,185	1,163,187	(72,998)	2,506,434	34,064
	Customer Support Services	1,621,990	810,995	767,710	(43,285)	1,665,260	43,270
	Housing Benefits	(1,172,620)	(586,310)	(1,132,085)	(545,775)	(1,164,142)	8,478
	Local Taxation	(693,360)	(346,680)	(48,253)	298,427	(677,800)	15,560
	Customer Services - Members Activities	26,470	13,235	81,928	68,693	26,470	(1)
	<b>Sub-Total</b>	<b>2,254,850</b>	<b>1,127,425</b>	<b>832,486</b>	<b>(294,939)</b>	<b>2,356,222</b>	<b>101,372</b>
<b>Finance &amp; Audit</b>	Audit Support Services	384,470	192,235	185,597	(6,638)	381,793	(2,677)
	Finance Support Services	1,063,390	531,695	361,052	(170,643)	1,248,850	185,460
	Finance & Other Activities	963,630	481,815	-	(481,815)	863,630	(100,000)
	<b>Sub-Total</b>	<b>2,411,490</b>	<b>1,205,745</b>	<b>546,649</b>	<b>(659,097)</b>	<b>2,494,273</b>	<b>82,783</b>
<b>Housing &amp; Property</b>	Accommodation	457,940	228,970	590,764	361,794	449,248	(8,692)
	Cost Centres - Housing & Property	510,440	255,220	278,795	23,575	568,732	58,292
	Facilities & Depot Management	528,200	264,100	175,103	(88,997)	489,983	(38,217)
	Housing & Property Support Services	352,110	176,055	161,452	(14,603)	373,522	21,412
	<b>Sub-Total</b>	<b>1,848,690</b>	<b>924,345</b>	<b>1,206,114</b>	<b>281,769</b>	<b>1,881,484</b>	<b>32,794</b>
<b>Place</b>	Place - Community & Partnership	40,920	20,460	(27,307)	(47,767)	39,225	(1,695)
	Cost Centres - Place	334,020	167,010	131,118	(35,892)	247,975	(86,045)
	<b>Sub-Total</b>	<b>374,940</b>	<b>187,470</b>	<b>103,811</b>	<b>(83,659)</b>	<b>287,200</b>	<b>(87,740)</b>
<b>Planning &amp; Development</b>	Cost Centres - Planning Services	2,324,800	1,162,400	1,084,371	(78,029)	2,352,047	27,247
	Local Plan Implementation	1,048,700	524,350	(433,973)	(958,323)	918,485	(130,215)
	Planning & Development	(1,655,730)	(827,865)	(484,891)	342,974	(932,736)	722,994
	Planning Support Services	291,970	145,985	111,513	(34,472)	233,424	(58,546)
	Regulatory Services	(529,840)	(264,920)	(382,483)	(117,563)	(542,380)	(12,540)
	<b>Sub-Total</b>	<b>1,479,900</b>	<b>739,950</b>	<b>(105,462)</b>	<b>(845,412)</b>	<b>2,028,839</b>	<b>548,939</b>
<b>Strategy, Delivery &amp; Performance</b>	Strategy - Other Activities	161,600	80,800	56,734	(24,066)	217,658	56,058
	Strategy, Delivery & Performance Support Services	688,040	344,020	233,381	(110,639)	560,029	(128,011)
	<b>Sub-Total</b>	<b>849,640</b>	<b>424,820</b>	<b>290,114</b>	<b>(134,706)</b>	<b>777,688</b>	<b>(71,952)</b>
<b>General Fund Total</b>		<b>21,562,530</b>	<b>10,781,265</b>	<b>7,926,666</b>	<b>(2,854,599)</b>	<b>22,125,674</b>	<b>563,144</b>
	<b>Qualis Income</b>	(2,909,440)	-	-	-	(1,964,737)	944,703
	<b>HRA Recharges</b>	(5,224,670)	-	-	-	(5,351,900)	(127,230)
	<b>Financing</b>						
	<i>Interest (exc. Qualis):</i>						
	Interest Receivable	(50,000)	-	-	-	(179,879)	(129,879)
	Interest Payable	863,440	-	-	-	1,085,938	222,498
	Minimum Revenue Provision	1,327,000	-	-	-	1,125,000	(202,000)
	Specific Contingency (GF Energy)	62,500	-	-	-	50,000	(12,500)
<b>General Fund (Net Expenditure)</b>		<b>15,631,360</b>	<b>10,781,265</b>	<b>7,926,666</b>	<b>(2,854,599)</b>	<b>16,890,096</b>	<b>1,258,736</b>

## General Fund Capital Programme 2022/23

## Quarter 2 Forecast

General Fund Capital Programme 2022/23: Quarter 2 Forecast												
Scheme	2021/22 Budget Outturn (xtract)			2022/23 Budget				2022/23 Budget Progress (@ 30th September 2022 - Q2)				
	2021/22 Unspent / (Overspent) Balances	(Savings) / Overspends not c/fwd	Balances Rolled Forward into 2022/23	2022/23 Budget Allocation	Q1 Changes	2022/23 Budget @ Q1	Q2 Changes	2022/23 Budget @ Q2 (Updated)	Actuals to Q2	Remaining Budget	Forecast Outturn 2022/23	Forecast (Uspend)/ Opend 2022/23
	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s
<b>Community &amp; Wellbeing</b>												
Joint Museum and Library Facility	688,018	- 688,018	-	770,000	-	770,000	-	770,000	-	770,000	-	770,000
<b>Sub-Totals</b>	<b>688,018</b>	<b>- 688,018</b>	<b>-</b>	<b>770,000</b>	<b>-</b>	<b>770,000</b>	<b>-</b>	<b>770,000</b>	<b>-</b>	<b>770,000</b>	<b>-</b>	<b>770,000</b>
<b>Commercial &amp; Technical</b>												
Cartersfield Road	1,436,464	-	1,436,464	-	-	1,436,464	-	1,436,464	-	1,436,464	359,116	- 1,077,348
Investment Property Acquisition Fund	1,117,867	-	1,117,867	-	-	1,117,867	-	1,117,867	65,000	1,052,867	498,000	- 619,867
Princess of Wales PH - lease acquisition**	-	-	-	-	-	-	-	-	-	-	695,500	695,500
202-220 Loughton HR - roof replacement	-	-	-	-	-	-	64,500	64,500	-	64,500	64,468	- 32
CCTV Replacement Programme	85,437	- 44,992	40,445	102,000	-	142,445	-	142,445	27,460	114,985	100,110	- 42,335
CarPark CCTV Systems	10,259	- 10,259	-	20,000	-	20,000	-	20,000	6,920	13,080	6,920	- 13,080
Superfast Broadband (REFCuS)	350,000	-	350,000	-	-	350,000	-	350,000	-	350,000	350,000	-
Disabled Facilities Grants (REFCuS)	218,152	- 218,152	-	971,210	-	971,210	-	971,210	439,689	531,521	880,000	- 91,210
Home Assist Grants (REFCuS)	-	-	-	30,000	-	30,000	-	30,000	-	30,000	30,000	-
Car Park Schemes	18,785	- 18,785	-	-	-	-	-	-	-	-	-	-
Civic Offices Accommodation Project	108,169	- 108,169	-	-	-	-	-	-	-	-	-	-
Civic Offices Café External Access	75,979	-	75,979	100,000	-	175,979	-	175,979	-	175,979	-	- 175,979
Highway Ranger Vehicle & Equipment	519	- 519	-	40,000	-	40,000	-	40,000	-	40,000	40,000	-
Grounds Maintenance	40,945	-	40,945	30,000	-	70,945	-	70,945	-	70,945	62,650	- 8,295
Highways (REFCuS)	97,564	-	97,564	-	-	97,564	-	97,564	-	97,564	97,564	-
H2 Taxiway (ex NWA Prep Phase 1)	200,000	-	200,000	-	-	200,000	-	200,000	3,009	196,991	200,000	-
NWA Employment Land Develop	-	-	-	-	-	-	-	-	28,842	- 28,842	28,842	28,842
NWA Vehicles & Equipment	-	-	-	-	-	-	-	-	16,085	- 16,085	16,085	16,085
Vehicle Fleet Replacement & OHD Equipment	622,740	-	622,740	-	-	622,740	-	622,740	332,661	290,079	452,038	- 170,702
Ongar Leisure Centre	4,953	- 4,953	-	-	-	-	-	-	-	-	-	-
Epping Leisure Centre (Bakers Lane)	1,562,560	-	1,562,560	12,500,000	-	10,937,440	-	10,937,440	55,441	10,881,999	250,000	- 10,687,440
<b>Sub-Totals</b>	<b>2,540,941</b>	<b>- 121,497</b>	<b>2,419,444</b>	<b>13,793,210</b>	<b>- 294,910</b>	<b>16,212,654</b>	<b>64,500</b>	<b>16,277,154</b>	<b>975,107</b>	<b>15,302,047</b>	<b>4,131,293</b>	<b>- 12,145,861</b>
<b>Corporate Services</b>												
ICT General Schemes	142,379	- 54,608	87,771	103,000	-	190,771	-	190,771	- 2,482	193,253	152,771	- 38,000
ICT Strategy	1,715,452	- 145,487	1,569,965	1,960,910	- 294,910	3,235,965	89,310	3,325,275	235,004	3,090,271	2,900,340	- 424,935
Civic Offices Accommodation Project (ICT)	63,830	- 55,288	8,542	-	-	8,542	-	8,542	6,556	1,986	8,542	-
<b>Sub-Totals</b>	<b>1,921,661</b>	<b>- 255,383</b>	<b>1,666,278</b>	<b>2,063,910</b>	<b>- 294,910</b>	<b>3,435,278</b>	<b>89,310</b>	<b>3,524,588</b>	<b>239,078</b>	<b>3,285,510</b>	<b>3,061,653</b>	<b>- 462,935</b>
<b>Customer Services</b>												
Council Chamber Upgrade	-	-	-	160,000	-	160,000	-	160,000	-	160,000	80,000	- 80,000
<b>Sub-Totals</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>160,000</b>	<b>-</b>	<b>160,000</b>	<b>-</b>	<b>160,000</b>	<b>-</b>	<b>160,000</b>	<b>80,000</b>	<b>- 80,000</b>
<b>Housing (Property Services)</b>												
Oakwood Hill Depot Extension	6,572	-	6,572	-	-	6,572	-	6,572	26,923	- 20,351	26,923	20,351
Investment Properties (Planned Works)	80,316	- 80,316	-	19,220	294,910	314,130	- 134,263	179,867	-	179,867	179,867	-
Operational Properties (Planned Works)	93,230	- 12,250	80,980	252,000	-	332,980	- 19,547	313,433	5,843	307,590	155,000	- 158,433
<b>Sub-Totals</b>	<b>19,486</b>	<b>68,066</b>	<b>87,552</b>	<b>271,220</b>	<b>294,910</b>	<b>653,682</b>	<b>- 153,810</b>	<b>499,872</b>	<b>32,766</b>	<b>467,106</b>	<b>361,790</b>	<b>- 138,082</b>
<b>Place</b>												
Climate & Environmental Projects	426,984	-	426,984	250,000	-	676,984	-	676,984	-	676,984	676,984	-
<b>Sub-Totals</b>	<b>426,984</b>	<b>-</b>	<b>426,984</b>	<b>250,000</b>	<b>-</b>	<b>676,984</b>	<b>-</b>	<b>676,984</b>	<b>-</b>	<b>676,984</b>	<b>676,984</b>	<b>-</b>
<b>Qualis</b>												
Asset Purchase Loan	1,247,500	-	1,247,500	-	-	1,247,500	-	1,247,500	-	1,247,500	-	1,247,500
Regeneration Finance Loans	40,000,000	-	40,000,000	55,000,000	-	95,000,000	-	95,000,000	1,000,000	94,000,000	18,250,000	- 76,750,000
<b>Sub-Totals</b>	<b>41,247,500</b>	<b>-</b>	<b>41,247,500</b>	<b>55,000,000</b>	<b>-</b>	<b>96,247,500</b>	<b>-</b>	<b>96,247,500</b>	<b>1,000,000</b>	<b>95,247,500</b>	<b>18,250,000</b>	<b>- 77,997,500</b>
<b>Total Expenditure</b>	<b>46,844,590</b>	<b>- 996,832</b>	<b>45,847,758</b>	<b>72,308,340</b>	<b>- 118,156,098</b>	<b>118,156,098</b>	<b>-</b>	<b>118,156,098</b>	<b>2,246,951</b>	<b>115,909,147</b>	<b>26,561,720</b>	<b>- 91,594,378</b>
<b>** to be transferred to the HRA for development</b>												
<b>Capital Financing:</b>												
Borrowing	46,626,438	- 778,680	45,847,758	67,844,380	-	113,692,138	-	113,692,138	1,000,000	112,692,138	24,281,720	- 89,410,418
Capital Grants	218,152	- 218,152	-	971,210	-	971,210	-	971,210	439,689	531,521	880,000	- 91,210
Capital Receipts	-	-	-	3,492,750	-	3,492,750	-	3,492,750	807,262	2,685,488	1,400,000	- 2,092,750
<b>Total Financing</b>	<b>46,844,590</b>	<b>- 996,832</b>	<b>45,847,758</b>	<b>72,308,340</b>	<b>-</b>	<b>118,156,098</b>	<b>-</b>	<b>118,156,098</b>	<b>2,246,951</b>	<b>115,909,147</b>	<b>26,561,720</b>	<b>- 91,594,378</b>

## Housing Revenue Account Capital Programme 2022/23

## Quarter 2 Forecast

HRA Capital Programme 2022/23: Quarter 2 Forecast										
	2021/22 Budget Outturn (xtract)			2022/23 Budget			2022/23 Budget Progress (@ 30 September 2022 - Q2)			
	2021/22 Unspent/ (Overspent) Balances	Savings / Overspends not c/fwd	Balances Rolled Forward into 2022/23	2022/23 Budget Allocation	Q1 Changes	2022/23 Budget (Updated)	Actuals to Q2	Remaining Budget	Forecast Outturn 2022/23	Forecast (Uspend) / Ospend 2022/23
Schemes	£	£	£	£	£	£	£	£	£	£
<b>Housing Development Programme:</b>										
Housebuilding	8,335,830	8,335,830	-	15,597,810	-	15,597,810	1,918,050	13,679,760	5,669,010	- 9,928,800
Acquisition of Land for Building	-	-	-	2,750,000	-	2,750,000	-	2,750,000	-	- 2,750,000
Acquisition of Street Properties	2,968,310	2,968,310	-	-	-	-	-	-	-	-
Qualis Acquisitions	7,492,000	7,492,000	-	10,461,190	-	10,461,190	-	10,461,190	-	- 10,461,190
<b>Sub-Totals</b>	<b>12,859,520</b>	<b>12,859,520</b>	<b>-</b>	<b>28,809,000</b>	<b>-</b>	<b>28,809,000</b>	<b>1,918,050</b>	<b>26,890,950</b>	<b>5,669,010</b>	<b>- 23,139,990</b>
<b>Capital Works:</b>										
Heating	691,840	-	691,840	1,556,000	-	2,247,840	298,100	1,949,740	2,038,380	- 209,450
Windows, Door and Roofing	848,550	-	848,550	2,886,000	- 300,000	3,434,550	1,299,610	2,134,940	2,829,940	- 604,610
Compliance Planned Maintenance	439,160	-	439,160	250,000	-	689,160	229,210	459,950	585,640	- 103,520
Kitchens & Bathrooms	566,420	-	566,420	2,300,000	-	2,866,420	349,330	2,517,090	2,414,800	- 451,610
Electrical	201,390	18,380	219,770	2,211,000	900,000	3,330,770	671,110	2,659,660	2,252,510	- 1,078,260
Sprinklers	275,000	275,000	-	-	-	-	-	-	-	-
Environmental	306,280	150,940	155,340	275,000	-	430,340	34,840	395,500	428,940	- 1,400
Structural works	1,636,520	-	1,636,520	949,000	- 600,000	1,985,520	214,510	1,771,010	1,616,990	- 368,530
Disabled adaptations	114,620	-	114,620	1,145,000	-	1,030,380	267,640	762,740	939,200	- 91,180
Asbestos Removal	219,190	100,000	119,190	130,000	-	249,190	22,650	226,540	133,000	- 116,190
Estate Improvements	56,110	56,110	-	50,000	-	50,000	4,130	45,870	25,000	- 25,000
<b>Sub-Totals</b>	<b>5,125,840</b>	<b>563,670</b>	<b>4,562,170</b>	<b>11,752,000</b>	<b>-</b>	<b>16,314,170</b>	<b>3,391,130</b>	<b>12,923,040</b>	<b>13,264,400</b>	<b>- 3,049,750</b>
<b>Other Housing Schemes:</b>										
Service Enhancements										
HAM Project	251,730	-	251,730	400,000	-	651,730	174,830	476,900	524,170	- 127,560
HFHH Act Project	24,210	-	24,210	154,000	-	178,210	-	178,210	178,000	- 210
Limes/Copperfield Regeneration Project	228,510	-	228,510	3,000,000	-	2,771,490	-	2,771,490	2,042,000	- 729,490
The Broadway Regeneration Project	-	-	-	2,750,000	-	2,750,000	116,670	2,633,330	74,000	- 2,675,990
Frank Bretton Refurbishment	115,720	115,720	-	-	-	-	-	-	-	-
Emergency Alarm System Upgrade	-	-	-	360,000	-	360,000	-	360,000	20,000	- 340,000
Sheltered Blocks Refurbishment	-	-	-	330,000	-	330,000	-	330,000	175,000	- 155,000
Door Replacemnt Programme	99,000	-	99,000	235,000	-	334,000	-	334,000	50,000	- 284,000
<b>Sub-Totals</b>	<b>30,710</b>	<b>115,720</b>	<b>146,430</b>	<b>7,229,000</b>	<b>-</b>	<b>7,375,430</b>	<b>291,500</b>	<b>7,083,930</b>	<b>3,063,170</b>	<b>- 4,312,250</b>
<b>Vehicle Replacements</b>	<b>80,070</b>	<b>80,070</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditure</b>	<b>17,936,000</b>	<b>13,227,410</b>	<b>4,708,590</b>	<b>47,790,000</b>	<b>-</b>	<b>52,498,590</b>	<b>5,600,680</b>	<b>46,897,910</b>	<b>21,996,580</b>	<b>- 30,502,010</b>
<b>Capital Financing:</b>										
Direct Revenue Contributions	-	-	-	5,364,000	-	5,364,000	-	5,364,000	969,980	- 4,394,020
Major Repairs Reserve	4,708,590	-	4,708,590	9,904,000	-	14,612,590	4,367,460	10,245,130	18,293,000	3,680,410
Capital Receipts	-	-	-	5,970,000	-	5,970,000	767,220	5,202,780	2,267,600	- 3,702,400
Other Contributions	-	-	-	466,000	-	466,000	466,000	-	466,000	-
Borrowing	13,227,410	13,227,410	-	26,086,000	-	26,086,000	-	26,086,000	-	- 26,086,000
	<b>17,936,000</b>	<b>13,227,410</b>	<b>4,708,590</b>	<b>47,790,000</b>	<b>-</b>	<b>52,498,590</b>	<b>5,600,680</b>	<b>46,897,910</b>	<b>21,996,580</b>	<b>- 30,502,010</b>