

<b>Committee:</b>	Cabinet	<b>Date:</b>	Thursday, 27 March 2025
<b>Title:</b>	Quarter 3 Finance Monitor		
<b>Portfolio Holder:</b>	Councillor Neil Hargreaves, Portfolio Holder for Finance and the Economy		
<b>Report Author:</b>	Gareth Robinson, Interim Director of Finance, Revenues and Benefits  GRobinson@uttlesford.gov.uk	<b>Key decision:</b>	Yes

---

## Summary

1. This report sets out the latest forecast financial performance of the Council including General Fund, Housing Revenue Account (HRA), Capital and Treasury. Forecasts are based upon actual income and expenditure from April to December 2024, together with predictions for the remainder of the financial year.
2. Overall, there is a £10k overspend in the General Fund. While service expenditure is overspending by £739k driven largely by Waste Management (£308k), £295k overspend in IT primarily on additional contract spend, additional costs in Resources and Planning on agency. However, between underspending on Transformation by £300k and Investment Properties (£429k) primarily due to an early repayment of a major loan at a discount. More detail is provided in paragraphs 12 through 37.
3. The Housing Revenue Account is forecasting a minor underspend of £2k. By end of year, it is anticipated to bring the HRA in on budget. More detail is provided in paragraphs 38 through 49.
4. Forecast capital expenditure is now £24.962 million against a budget of £28.111m. This represents a net underspend of £3.149 million. Further details are set out in paragraphs 50 through 61.
5. Throughout the period, the Council's treasury management activities have been carried out in accordance with the Treasury Management Strategy approved by Council in February 2024 with one exception. There was a breach in the policy when excess cash was kept in the council bank account overnight due to a payment to the Debt Management Office not being approved in a timely manner.
6. Budgets have been re-aligned to reflect bringing the General Fund property work previously delivered by UNSL back in-house, reserve movements and depreciation where appropriate are also included in service budgets.

7. Details of the realignment can be found in the Realignment of General Fund Budgets in Appendix B.

### **Recommendations**

8. The Cabinet is recommended to:
- i. Note the contents of this report.

### **Financial Implications**

9. Financial implications are set out throughout this report.

### **Background Papers**

10. None

### **Impact**

- 11.

Communication/Consultation	Corporate Management Team (CMT) and Informal Cabinet Briefing (ICB)
Community Safety	N/A
Equalities	N/A
Health and Safety	N/A
Human Rights/Legal Implications	N/A
Sustainability	N/A
Ward-specific impacts	N/A
Workforce/Workplace	N/A

## General Fund

Service Expenditure	Budget £000	Forecast £000	Variance £000
Business Performance & People	369	286	(83)
Chief Executive	371	456	85
Corporate Services	1,591	1,522	(69)
Digital Innovation & Commercialisation	3,051	3,346	295
Environmental Services & Climate Change	2,863	3,171	308
Resources	3,915	4,094	179
Housing, Health & Communities	1,949	1,701	(248)
Planning	1,244	1,516	272
<b>Net Cost of Services</b>	<b>15,353</b>	<b>16,092</b>	<b>739</b>
Transformation	400	100	(300)
Investment Properties	1,944	1,515	(429)
Corporate Items	884	884	-
External Funding	(11,525)	(11,525)	-
Council Tax Income	(7,056)	(7,056)	-
<b>Total</b>	<b>-</b>	<b>10</b>	<b>10</b>

\*Resources is made up of Finance, Revenues & Benefits and Corporate Management

### Business Performance & People (£83k underspend)

12. Car parking income (£109k better than budget). This reflects the outcomes from the parking review and the parking tariffs approved by Cabinet on 20 February 2024. The residual amount is minor variances.

### Chief Exec (£85k overspend)

13. Legal services is overspending by £98k due to a permanent structure not being in place. The rest of the differences are minor variances.

### Corporate Services (£69k underspend)

14. Vacant posts in Customer Services and Communications have generated a £81k underspend. The rest of the differences are minor variances.

### Digital Services & Commercialisation (£295k overspend)

15. Overspend in IT of £243k is largely driven by agency cover of £26k and £199k of additional external support costs. In 2025/26, this has led to an increase in the IT budget. Once the Local Government merger partners have been determined, alternative options need to be considered to reduce expenditure.

16. There is an overspend of £36k in the Property budgets. As 2024/25 is the first year of the insourcing of Facilities Management activities formerly delivered by UNSL, this is not unexpected. However, the specific budget profile may be

adjusted as the new operating model is embedded in the service and efficiencies are generated. The remaining £15k represent a multitude of minor variances.

### **Environmental Services & Climate Change (£308k)**

17. There is a £47k overspend on diesel due to fuel prices being higher than expected.
18. There is a £205k overspend expected on vehicle hire and alongside £158K on vehicle parts. Hire costs are linked to temporarily replacing several ageing vehicles and three new vehicles have been ordered as a long term solution. Vehicle parts relates to inflationary increases in part prices and a number of vehicles requiring major body repairs. The capital required for the vehicle replacement programme has been updated for 25/26 and now includes a provisional amount for predictable large scale repairs / refurb.
19. Green waste income is performing well and is currently forecast to be £82k higher than budget.
20. Other underspends include staff vacancies of £131k in Street services. Minor variances make up the rest.

### **Resources (£179k overspend)**

21. The Housing Benefit Subsidy Gap (the difference between Housing Benefit Income received for housing local residents who are made homeless and the cost of housing) is £104k above budget. This is growing year on year and there is additional budgetary provision in 2025/26 plus contingency against this risk in future years. There is £17k of one off cost in relation to consultancy and software improvements.
22. Revenues has £33k of salary costs in relation to additional staff, while a service review is underway.
23. There is one £71k additional income due to a better position on the shared pooling arrangements than expected.
24. There is £90k of unbudgeted costs in relation to Arlingclose advice on the early repayment of the Phoenix Loan.
25. There are £314k of agency costs primarily working on catch up with the historic accounts, for which there was no budget.
26. The Pay Award for 2024/25 was £312k less than budgeted. The remaining difference of £5k is made up of many minor variances.

### **Housing, Health & Communities (£248k underspend)**

27. There is £249k underspend in Licencing due to staff vacancies of £166k and £83k higher driver fee income. This offsets with related overspends shown in other service areas.

28. A range of minor variances make up the rest of the underspend.

29. Ultimately, there is a need to realign budgets, which is why many of the other budgets almost net off to zero.

### **Planning (£272k overspend)**

30. There is a £366k overspend in Development Management due to challenges in filling permanent posts. Fees income is also under recovered by £107k although additional income from Section 106 grants offset some of this.

31. UDC provide administrative support for a nation-wide conservatory and roof replacement company leading to £144k net additional Building Control income (£357k income and £203k cost). Other minor variances make up the difference.

- **Transformation (£300k underspend)**

32. The council is prudently assuming Blueprint Uttlesford will utilise £100k of the budgetary provision.

### **Investment Income (£429k underspend)**

<b>Investment Properties</b>	<b>Budget £000</b>	<b>Q3 Forecast £000</b>	<b>Variance £000</b>
Investment property income (net of management costs)	(11,973)	(11,957)	16
Borrowing costs	11,017	11,099	82
Phoenix loan savings	-	(1,027)	(1,027)
Movement to Commercial Reserves	132	632	500
<b>Sub-total before MRP</b>	<b>(824)</b>	<b>(1,253)</b>	<b>(429)</b>
Minimum revenue provision (MRP)	2,768	2,768	-
<b>Total</b>	<b>1,944</b>	<b>1,515</b>	<b>(429)</b>

33. The repayment of the Phoenix Loan generated a £1.027m savings in 2024/25. This is because the savings must be spread across 10 years in the General Fund as per local government regulations as opposed to being recognised immediately in its entirety as per International Financial Reporting Standards. The cost of arranging this is currently in Finance.

34. The £500k movement to commercial reserve is an estimate based on the prudent assumption that we will not sell Chesterford Research Park and that we will need to refund the Commercial Property reserve for 3 years of interest on a £3.3m loan given out in December 2023. Naturally, if the asset is sold, this cost will be significantly less.

35. It is important to note that the council faces a minimum revenue provision cost, which is a local government accounting charge to reflect the underlying need to borrow. Without this charge, the council would expect to record a £1.217m surplus in 2024/25. Including the £2.768m charge, this leads a deficit of

£1.551m. However, as this charge is a non-cash event, the resources are retained by the authority.

### Corporate Items

Corporate Items	Budget £000	Q3 Forecast £000	Variance £000
Capital financing	1,957	1,957	-
Leisure PFI interest	319	319	-
Corporate pension costs (added years and deficit repair)	85	85	-
Treasury investment income	(446)	(446)	-
Movement to/from Reserve	(232)	(232)	-
Net recharges to Housing Revenue Account (HRA)	(799)	(799)	-
<b>Total</b>	<b>884</b>	<b>884</b>	<b>-</b>

36. Overall, costs are expected to come in on budget.

### External Funding (Forecast to Budget)

37. There is no change expected to external funding.

## Housing Revenue Account (HRA)

Net Expenditure by Service Area	Budget £'000s	Forecast £'000s	Variance £'000s
<b>Service income</b>			
Dwelling rents	(18,067)	(17,931)	136
Garage rents	(254)	(236)	18
Other rents	(32)	(33)	(1)
Charges for services & facilities	(1,328)	(1,334)	(6)
<b>Subtotal - Service income</b>	<b>(19,681)</b>	<b>(19,534)</b>	<b>147</b>
Rents, Rates & other property charges	185	230	45
<b>Maintenance &amp; repairs service expenditure</b>			
Common service flats	488	467	(21)
Estate maintenance	5	5	-
Housing sewage	21	23	2
Newport Depot	3	3	-
Property services	1,041	1,645	604
Housing repairs (Norse)	4,218	4,098	(120)
<b>Subtotal - Maintenance &amp; repairs service expenditure</b>	<b>5,776</b>	<b>6,241</b>	<b>465</b>
<b>Management &amp; homelessness expenditure</b>			
Housing services	769	826	57
Sheltered housing services	430	471	41
<b>Subtotal - Management &amp; homelessness expenditure</b>	<b>1,199</b>	<b>1,297</b>	<b>98</b>
<b>One-off transformation costs</b>	<b>771</b>	<b>-</b>	<b>(771)</b>
<b>Subtotal - Service expenditure</b>	<b>7,931</b>	<b>7,768</b>	<b>(163)</b>
<b>Other operating income and expenditure</b>	<b>8,867</b>	<b>8,881</b>	<b>14</b>
<b>Subtotal - Operating (surplus)/deficit</b>	<b>(2,883)</b>	<b>(2,885)</b>	<b>(2)</b>
<b>Capital financing</b>	<b>2,961</b>	<b>2,961</b>	<b>-</b>
<b>Transfers to/(from) earmarked reserves</b>	<b>(78)</b>	<b>(78)</b>	<b>-</b>
<b>(Surplus)/deficit</b>	<b>-</b>	<b>(2)</b>	<b>(2)</b>

### **Service Income (147k overspend)**

38. Dwelling Rental income is forecast to be £136k under budget. This driven by delays in getting void properties back into use. This is anticipated to affect 2025/26 until the new contractor is able to turn this situation around. The budget for 2025/26 was adjusted to reflect that void impact.

39. The balance is made up of minor variances.

### **Rents, Rates & other property charges (£45k overspend)**

40. The empty property charge is running at £45k above budget due to higher than anticipated void rates.

### **Maintenance and repairs (£465k overspend)**

41. £604 overspend in Property Services is actually expenditure on transformation.

42. Expenditure via the joint venture (UNSL) is expected to be £120 below budget due to the contract gradually winding down. Minor variances otherwise.

### **Management and homelessness (£98k overspend)**

43. There is an overspend in Housing Services of £57k due to agency expenditure in a vacant post and additional costs in tackling housing rent recovery and an external review of service charges.

44. Ad hoc repairs and new equipment in sheltered housing has driven a small overspend of £41k. Minor variances make up the difference.

### **Transformation (£771k underspend)**

45. The underspend in this borough reflects that the costs of transformation are within Property services as was expected with the bringing of UNSL back in-house and the need to ramp up for the new contract and to get the HRA Business Plan sorted.

### **Other Operating Income and Expenditure (£14k overspend)**

46. The overspend reflects the higher cost of agency in the corporate centre.

### **Capital Financing (Forecast to Budget)**

47. No reason to expect any difference at this point in the financial year.

### **Transfers to/(from) Reserves (Forecast to budget)**

48. As above.



49. The capital tables below includes the original budget and associated forecast and variance. However, they also include a column for additions and provisional slippage from 2023/24. The revised variance is therefore the variance adjusted downwards for additions and slippage. It is important to recognise slippage is subject to change.

### Capital – General Fund

	Budget £'000s	Forecast £'000s	Variance £'000s
Resources	129	125	(4)
Business Performance & People	1,105	1,005	(100)
Digital Innovation & Commercialisation	1,015	930	(85)
Environmental Services & Climate Change	1,161	1,176	15
Housing, Health & Communities	1,779	1,779	0
Investments	13,732	14,750	1,018
<b>Total</b>	<b>18,921</b>	<b>19,765</b>	<b>844</b>

### Resources

50. The new financial system is spending according to planned budget. The residual £390k is profiled into 2025/26.

### Business Performance & People

51. There is an historic budget of £100k in superfast broadband, which accounts for the underspend. Otherwise the budget is either accrued (£393k) or forecast to budget in the current fiscal year (£107k) for a total of £500k spend.

### Digital Innovation & Commercialisation

52. Delays on structural works on Guildhall (£50k) and day centres (£30k) drive the expected underspend in the area.

### Environmental Services & Climate Change

53. Kitchen caddies' unexpected popularity led to a minor overspend of £15k.

### Housing Health & Communities

54. Council obtained extra LAHF Grant, for which it applied (£1.018m). This will deliver 5 extra affordable homes for residents in need. This is one of the in-year additions to the capital programme.. Otherwise expected spend to budget.

### Investments

55. Aspire CRP has requested £9m in addition to £5.75m, due to construction being delivered faster than expected. This has led to a £1.018m overspend.

## Capital – Housing Revenue Account

	<b>Budget</b>	<b>Forecast</b>	<b>Variance</b>
	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>
Existing Stock Maintenance	5,330	4,709	(621)
New builds	1,410	306	(1,104)
Unidentified New Builds and Redevelopment	2,400	132	(2,268)
Cash incentive scheme grants	50	50	0
<b>Total</b>	<b>9,190</b>	<b>5,197</b>	<b>(3,993)</b>

### Existing Stock Maintenance

56. End of Joint Venture (UNSL) contract means an expected tailing off of expenditure to ensure no ongoing commitment in future years.

### New Builds

57. Takeley expected to be delayed (£1.08m). Planning application pending.

58. Garden sites and Woodlands are in the final stages of completion. Between them there is a net underspend of £24k.

### Unidentified New Builds and Redevelopment

59. No schemes have been devised and therefore no expenditure in 2024/25 leading to £2.35m underspend. This budget will be removed from the active capital programme and moved to the pipeline till appropriate business cases come forward.

60. There are final unbudgeted retention payments on Walden place leading to an overspend of £132k.

### Cash Incentive Scheme Grants (forecast to budget)

61. Currently forecast to budget as it is quarter 1. Budget will be moved to revenue going forward.

## Treasury Management

62. Treasury management activities have been carried out throughout the period in accordance with the Treasury Management Strategy approved by Council in February 2024, without any breaches in the first quarter of 2024/25.

63. For the period from April to December 2024, the Council's weighted average cost of borrowing was 4.32%, whilst the weighted average return on treasury investments was 4.59%. The return on investments is higher than the cost of borrowing as investments tend to be placed for a shorter period (less than one year and sometimes as short as overnight), whereas a significant proportion of the Council's borrowing has been fixed for the longer term. This means that recent increases in interest rates have been reflected relatively quickly within the investment portfolio, whereas the Council continues to benefit from lower interest rates on its borrowing where this was secured in earlier years. Nevertheless, the Council's borrowing far exceeds the balances invested, and the Council remains exposed to interest rate risk on refinancing.

### Treasury Forecast as at Quarter 1

	<b>Budget £000</b>	<b>Q3 Forecast £000</b>	<b>Variance £000</b>
<b>Investments</b>			
Local Authorities (inc. HRA share)	(334)	(243)	91
MMFs	(100)	(236)	(136)
FIBCA	(12)	(13)	(1)
Aspire	(2,416)	(2,415)	1
<b>Sub-total Investments</b>	<b>(2,862)</b>	<b>(2,907)</b>	<b>(45)</b>
<b>Borrowing</b>			
Local Authorities	6,755	5,833	(922)
PWLB	3,346	4,934	1,588
Phoenix	1,006	332	(674)
<b>Sub-total Borrowing</b>	<b>11,107</b>	<b>11,099</b>	<b>(8)</b>
<b>Net</b>	<b>8,245</b>	<b>8,192</b>	<b>(53)</b>

64. The council repaid its £35.471m loan with £25.192m (£10.279m discount). As per local government General Fund regulations, this discount is spread over 10 years. The current annuity loan is at 2.86% and the replacement loans averaged 4.925% for an average of 5 years. Therefore, in short term, the annual interest cost will be higher till it can be refinanced when interest rates are lower. There was a one off fee cost of £97k for arranging the discount.

However, the gross savings for 2024/25 is approximately £930k due to the discount before taking account of any new borrowing.

## Prudential Indicators

Prudential Indicators	Budget	Forecast	Variance
	£'000s	£'000s	£'000s
<b>Estimate of Capital Expenditure (CAPEX)</b>			
General Fund	4,906	5,015	109
Commercial Investments	13,732	14,750	1,018
Housing Revenue Account	9,190	5,197	(3,993)
<b>Total Estimate of CAPEX</b>	<b>27,828</b>	<b>24,962</b>	<b>(2,866)</b>
<b>Estimate of Capital Financing Requirement at 31 March*</b>			
General Fund	18,400	17,888	(512)
Commercial Investments	253,100	260,959	7,859
Housing Revenue Account	80,900	79,269	(1,631)
<b>Total - Estimate of CFR at 31 March</b>	<b>352,400</b>	<b>358,117</b>	<b>5,717</b>
<b>Gross Debt at 31 March</b>	<b>320,100</b>	<b>308,100</b>	<b>(12,000)</b>
<b>Authorised Limit</b>			
Authorised Limit for borrowing	415	415	0
Authorised Limit for other long-term liabilities	10	10	0
<b>Total - Authorised limit for external debt</b>	<b>425</b>	<b>425</b>	<b>0</b>
<b>Operational boundary</b>			
Operational boundary for borrowing	395	395	0
Operational boundary for other long-term liabilities**	10	10	0
<b>Total - Operational boundary for external debt</b>	<b>405</b>	<b>405</b>	<b>0</b>
<b>Proportion of financing costs to net revenue stream</b>	<b>82%</b>	<b>78%</b>	<b>-4%</b>
<b>Proportion of net income from commercial investments to net revenue stream</b>	<b>64%</b>	<b>68%</b>	<b>4%</b>

\* The draft accounts for 2023/24 are available for review on the council website.

\*\* Includes Private Finance Initiative (PFI) and lease liabilities

## Risk Analysis

65.

Risk	Likelihood	Impact	Mitigating actions
Actual outturn will vary from forecast, requiring adjustments to budget and/or service delivery	2 – as the current forecasts have been prepared towards the end of the year, the likelihood of significant variances at outturn should be reduced	2 – budget will continue to be closely monitored and prompt action taken if necessary to control and report variances	Continued regular analysis of the financial position

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.

## Appendix A: Service Breakdown – General Fund

<b>Business Performance &amp; People</b>	<b>Budget £000</b>	<b>Q3 Forecast £000</b>	<b>Variance £000</b>
Human Resources	335	309	(26)
Car Parks	(852)	(960)	(108)
Economic Dev	133	148	15
Private Finance Initiative	382	418	36
Contract, Performance & Risk Management	197	197	-
Internal Audit	174	174	-
<b>Total</b>	<b>369</b>	<b>286</b>	<b>(83)</b>

<b>Human Resources</b>	<b>Budget £000</b>	<b>Q3 Forecast £000</b>	<b>Variance £000</b>
Gross Expenditure	335	309	(26)
Gross Income	-	-	-
<b>Net Expenditure</b>	<b>335</b>	<b>309</b>	<b>(26)</b>

<b>Car Parks</b>	<b>Budget £000</b>	<b>Q3 Forecast £000</b>	<b>Variance £000</b>
Gross Expenditure	541	549	8
Gross Income	(1,393)	(1,509)	(116)
<b>Net Expenditure</b>	<b>(852)</b>	<b>(960)</b>	<b>(108)</b>

<b>Economic Development</b>	<b>Budget £000</b>	<b>Q3 Forecast £000</b>	<b>Variance £000</b>
Gross Expenditure	871	886	15
Gross Income	(738)	(738)	-
<b>Net Expenditure</b>	<b>133</b>	<b>148</b>	<b>15</b>

<b>Private Finance Initiative</b>	<b>Budget £000</b>	<b>Q3 Forecast £000</b>	<b>Variance £000</b>
Gross Expenditure	932	1,175	243
Gross Income	(550)	(757)	(207)
<b>Net Expenditure</b>	<b>382</b>	<b>418</b>	<b>36</b>

<b>Contract, Performance &amp; Risk Management</b>	<b>Budget £000</b>	<b>Q3 Forecast £000</b>	<b>Variance £000</b>
Gross Expenditure	197	197	-
Gross Income	-	-	-
<b>Net Expenditure</b>	<b>197</b>	<b>197</b>	<b>-</b>

<b>Internal Audit</b>	<b>Budget £000</b>	<b>Q3 Forecast £000</b>	<b>Variance £000</b>
Gross Expenditure	174	174	-
Gross Income	-	-	-
<b>Net Expenditure</b>	<b>174</b>	<b>174</b>	<b>-</b>

<b>Chief Executive</b>	<b>Budget £000</b>	<b>Q3 Forecast £000</b>	<b>Variance £000</b>
Land Charges	13)	(6)	7
Conducting Elections	-	(2)	(2)
Electoral Registration	191	173	18)
Legal Services	193	291	98
<b>Total</b>	<b>371</b>	<b>456</b>	<b>85</b>

<b>Land Charges</b>	<b>Budget £000</b>	<b>Q3 Forecast £000</b>	<b>Variance £000</b>
Gross Expenditure	177	178	1
Gross Income	190)	184)	6
<b>Net Expenditure</b>	<b>13)</b>	<b>(6)</b>	<b>7</b>

<b>Conducting Elections</b>	<b>Budget £000</b>	<b>Q3 Forecast</b>	<b>Variance £000</b>
-----------------------------	------------------------	------------------------	--------------------------



		£000	
Gross Expenditure	428	406	22)
Gross Income	428)	408)	20
<b>Net Expenditure</b>	<b>-</b>	<b>(2)</b>	<b>(2)</b>

<b>Electoral Registration</b>	<b>Budget £000</b>	<b>Q3 Forecast £000</b>	<b>Variance £000</b>
Gross Expenditure	193	193	-
Gross Income	(2)	(20)	(18)
<b>Net Expenditure</b>	<b>191</b>	<b>173</b>	<b>(18)</b>

<b>Legal Services</b>	<b>Budget £000</b>	<b>Q3 Forecast £000</b>	<b>Variance £000</b>
Gross Expenditure	243	341	98
Gross Income	(50)	(50)	-
<b>Net Expenditure</b>	<b>193</b>	<b>291</b>	<b>98</b>

<b>Corporate Services</b>	<b>Budget £000</b>	<b>Q3 Forecast £000</b>	<b>Variance £000</b>
Saffron Walden Museum	272	285	13
Customer Services Centre	485	433	(52)
Community Information Centres	11	11	-
Committee Administration	180	179	(1)
Democratic Representation	371	371	-
Communications	272	243	29)
<b>Total</b>	<b>1,591</b>	<b>1,522</b>	<b>(69)</b>

<b>Saffron Walden Museum</b>	<b>Budget £000</b>	<b>Q3 Forecast £000</b>	<b>Variance £000</b>
Gross Expenditure	305	318	13
Gross Income	(33)	(33)	-
<b>Net Expenditure</b>	<b>272</b>	<b>285</b>	<b>13</b>

<b>Customer Services Centre</b>	<b>Budget £000</b>	<b>Q3 Forecast £000</b>	<b>Variance £000</b>
Gross Expenditure	485	433	(52)
Gross Income	-	-	-
<b>Net Expenditure</b>	<b>485</b>	<b>433</b>	<b>(52)</b>

<b>Community Information Centres</b>	<b>Budget £000</b>	<b>Q3 Forecast £000</b>	<b>Variance £000</b>
Gross Expenditure	22	21	(1)
Gross Income	(11)	(10)	1
<b>Net Expenditure</b>	<b>11</b>	<b>11</b>	<b>-</b>

<b>Committee Administration</b>	<b>Budget £000</b>	<b>Q3 Forecast £000</b>	<b>Variance £000</b>
Gross Expenditure	180	179	(1)
Gross Income	-	-	-
<b>Net Expenditure</b>	<b>180</b>	<b>179</b>	<b>(1)</b>

<b>Democratic Representation</b>	<b>Budget £000</b>	<b>Q3 Forecast £000</b>	<b>Variance £000</b>
Gross Expenditure	371	371	-
Gross Income	-	-	-
<b>Net Expenditure</b>	<b>371</b>	<b>371</b>	<b>-</b>

<b>Communications</b>	<b>Budget £000</b>	<b>Q3 Forecast £000</b>	<b>Variance £000</b>
Gross Expenditure	280	251	(29)
Gross Income	(8)	(8)	-
<b>Net Expenditure</b>	<b>272</b>	<b>243</b>	<b>(29)</b>

<b>Digital Innovation &amp; Commercialisation</b>	<b>Budget £000</b>	<b>Q3 Forecast £000</b>	<b>Variance £000</b>
Asset Management	(16)	(13)	3
Central Services	457	468	11
Information Technology	1,479	1,723	244
Information Governance	109	110	1
Offices	1,035	1,071	36
Local Amenities	(13)	(13)	-

<b>Total</b>	<b>3,051</b>	<b>3,346</b>	<b>295</b>
--------------	--------------	--------------	------------

<b>Asset Management</b>	<b>Budget £000</b>	<b>Q3 Forecast £000</b>	<b>Variance £000</b>
Gross Expenditure	(16)	(13)	3
Gross Income	-	-	-
<b>Net Expenditure</b>	<b>(16)</b>	<b>(13)</b>	<b>3</b>

<b>Central Services</b>	<b>Budget £000</b>	<b>Q3 Forecast £000</b>	<b>Variance £000</b>
Gross Expenditure	495	509	14
Gross Income	(38)	(41)	(3)
<b>Net Expenditure</b>	<b>457</b>	<b>468</b>	<b>11</b>

<b>Information Technology</b>	<b>Budget £000</b>	<b>Q3 Forecast £000</b>	<b>Variance £000</b>
Gross Expenditure	1,480	1,724	244
Gross Income	(1)	(1)	-
<b>Net Expenditure</b>	<b>1,479</b>	<b>1,723</b>	<b>244</b>

<b>Information Governance</b>	<b>Budget £000</b>	<b>Q3 Forecast £000</b>	<b>Variance £000</b>
Gross Expenditure	109	110	1
Gross Income	-	-	-
<b>Net Expenditure</b>	<b>109</b>	<b>110</b>	<b>1</b>

<b>Offices</b>	<b>Budget £000</b>	<b>Q3 Forecast £000</b>	<b>Variance £000</b>
Gross Expenditure	1,633	1,715	82
Gross Income	(598)	(644)	(46)
<b>Net Expenditure</b>	<b>1,035</b>	<b>1,071</b>	<b>36</b>

<b>Local Amenities</b>	<b>Budget £000</b>	<b>Q3 Forecast £000</b>	<b>Variance £000</b>
Gross Expenditure	8	8	-
Gross Income	(21)	(21)	-

<b>Net Expenditure</b>	<b>(13)</b>	<b>(13)</b>	<b>-</b>
------------------------	-------------	-------------	----------

<b>Environmental Services &amp; Climate Change</b>	<b>Budget £000</b>	<b>Q3 Forecast £000</b>	<b>Variance £000</b>
Grounds Maintenance	442	454	12
Depots	29	49	20
Climate Change	67	68	1
Street Cleansing	504	507	3
Vehicle Management	562	741	179
Waste Management	929	1,153	224
Street Services	330	199	(131)
<b>Total</b>	<b>2,863</b>	<b>3,171</b>	<b>308</b>

<b>Grounds Maintenance</b>	<b>Budget £000</b>	<b>Q3 Forecast £000</b>	<b>Variance £000</b>
Gross Expenditure	453	480	27
Gross Income	(11)	(26)	(15)
<b>Net Expenditure</b>	<b>442</b>	<b>454</b>	<b>12</b>

<b>Depots</b>	<b>Budget £000</b>	<b>Q3 Forecast £000</b>	<b>Variance £000</b>
Gross Expenditure	100	150	50
Gross Income	(71)	(101)	(30)
<b>Net Expenditure</b>	<b>29</b>	<b>49</b>	<b>20</b>

<b>Climate Change</b>	<b>Budget £000</b>	<b>Q3 Forecast £000</b>	<b>Variance £000</b>
Gross Expenditure	455	286	(169)
Gross Income	(388)	(218)	170
<b>Net Expenditure</b>	<b>67</b>	<b>68</b>	<b>1</b>

<b>Street Cleansing</b>	<b>Budget £000</b>	<b>Q3 Forecast £000</b>	<b>Variance £000</b>
Gross Expenditure	573	555	(18)
Gross Income	(69)	(48)	21
<b>Net Expenditure</b>	<b>504</b>	<b>507</b>	<b>3</b>

<b>Vehicle Management</b>	<b>Budget £000</b>	<b>Q3 Forecast £000</b>	<b>Variance £000</b>
Gross Expenditure	599	775	176
Gross Income	(37)	(34)	3
<b>Net Expenditure</b>	<b>562</b>	<b>741</b>	<b>179</b>

<b>Waste Management</b>	<b>Budget £000</b>	<b>Q3 Forecast £000</b>	<b>Variance £000</b>
Gross Expenditure	4,120	4,431	311
Gross Income	(3,191)	(3,278)	(87)
<b>Net Expenditure</b>	<b>929</b>	<b>1,153</b>	<b>224</b>

<b>Street Services</b>	<b>Budget £000</b>	<b>Q3 Forecast £000</b>	<b>Variance £000</b>
Gross Expenditure	330	199	(131)
Gross Income	-	-	-
<b>Net Expenditure</b>	<b>330</b>	<b>199</b>	<b>(131)</b>

<b>Resources</b>	<b>Budget £000</b>	<b>Q3 Forecast £000</b>	<b>Variance £000</b>
Benefits Administration	411	432	21



Housing Benefits	213	316	103
Council Tax Collection	(100)	(100)	-
Non Domestic Rates Collection	(152)	(158)	(6)
Revenues Administration	573	606	33
Council Tax Support	(167)	(238)	(71)
Financial Services	1,305	1,720	415
Corporate Management	1,832	1,516	(316)
<b>Total</b>	<b>3,915</b>	<b>4,094</b>	<b>179</b>

<b>Benefits Administration</b>	<b>Budget £000</b>	<b>Q3 Forecast £000</b>	<b>Variance £000</b>
Gross Expenditure	558	602	44
Gross Income	(147)	(170)	(23)
<b>Net Expenditure</b>	<b>411</b>	<b>432</b>	<b>21</b>

<b>Housing Benefits</b>	<b>Budget £000</b>	<b>Q3 Forecast £000</b>	<b>Variance £000</b>
Gross Expenditure	11,751	11,983	233
Gross Income	(11,538)	(11,667)	(129)
<b>Net Expenditure</b>	<b>213</b>	<b>316</b>	<b>103</b>

<b>Council Tax Collection</b>	<b>Budget £000</b>	<b>Q3 Forecast £000</b>	<b>Variance £000</b>
Gross Expenditure	-	15	15
Gross Income	(100)	(115)	(15)
<b>Net Expenditure</b>	<b>(100)</b>	<b>(100)</b>	<b>-</b>

<b>Non-Domestic Rates Collection</b>	<b>Budget £000</b>	<b>Q3 Forecast £000</b>	<b>Variance £000</b>
Gross Expenditure	-	-	-
Gross Income	(152)	(158)	(6)
<b>Net Expenditure</b>	<b>(152)</b>	<b>(158)</b>	<b>(6)</b>

<b>Revenues Administration</b>	<b>Budget £000</b>	<b>Q3 Forecast £000</b>	<b>Variance £000</b>
Gross Expenditure	756	794	38
Gross Income	(183)	(188)	(5)
<b>Net Expenditure</b>	<b>573</b>	<b>606</b>	<b>33</b>

<b>Council Tax Support</b>	<b>Budget £000</b>	<b>Q3 Forecast £000</b>	<b>Variance £000</b>
Gross Expenditure	172	147	(25)
Gross Income	(339)	(385)	(46)
<b>Net Expenditure</b>	<b>(167)</b>	<b>(238)</b>	<b>(71)</b>

<b>Financial Services</b>	<b>Budget £000</b>	<b>Q3 Forecast £000</b>	<b>Variance £000</b>
Gross Expenditure	1,307	1,722	415
Gross Income	(2)	(2)	-

<b>Net Expenditure</b>	<b>1,305</b>	<b>1,720</b>	<b>415</b>
------------------------	--------------	--------------	------------

<b>Corporate Management</b>	<b>Budget £000</b>	<b>Q3 Forecast £000</b>	<b>Variance £000</b>
Gross Expenditure	1,860	1,568	(292)
Gross Income	(28)	(52)	(24)
<b>Net Expenditure</b>	<b>1,832</b>	<b>1,516</b>	<b>(316)</b>

<b>Housing, Health &amp; Communities</b>	<b>Budget £000</b>	<b>Q3 Forecast £000</b>	<b>Variance £000</b>
Community Hubs	95	26	(69)
Emergency Planning	34	37	3
Grants & Contributions	199	293	94
Health Improvement	156	156	-
Ward Member Grants	78	78	-
Community Safety	396	330	(66)
Animal Welfare	-	12	12
Environmental Protection	527	571	44
Imported Food	(191)	(203)	(12)
Licensing	94	(155)	(249)
Environmental Health - Commercial	441	482	41
Homelessness	45	-	(45)
Housing Strategy	75	74	(1)
Housing Improvement Grants	-	-	-
<b>Total</b>	<b>1,949</b>	<b>1,701</b>	<b>(248)</b>

<b>Community Hubs</b>	<b>Budget £000</b>	<b>Q3 Forecast £000</b>	<b>Variance £000</b>
Gross Expenditure	150	26	(124)
Gross Income	(55)	-	55
<b>Net Expenditure</b>	<b>95</b>	<b>26</b>	<b>(69)</b>

<b>Emergency Planning</b>	<b>Budget £000</b>	<b>Q3 Forecast £000</b>	<b>Variance £000</b>
---------------------------	------------------------	---------------------------------	--------------------------

Gross Expenditure	34	37	3
Gross Income	-	-	-
<b>Net Expenditure</b>	<b>34</b>	<b>37</b>	<b>3</b>

<b>Grants &amp; Contributions</b>	<b>Budget £000</b>	<b>Q3 Forecast £000</b>	<b>Variance £000</b>
Gross Expenditure	283	521	238
Gross Income	(84)	(228)	(144)
<b>Net Expenditure</b>	<b>199</b>	<b>293</b>	<b>94</b>

<b>Health Improvement</b>	<b>Budget £000</b>	<b>Q3 Forecast £000</b>	<b>Variance £000</b>
Gross Expenditure	220	233	13
Gross Income	(64)	(77)	(13)
<b>Net Expenditure</b>	<b>156</b>	<b>156</b>	<b>-</b>

<b>Ward Member Grants</b>	<b>Budget £000</b>	<b>Q3 Forecast £000</b>	<b>Variance £000</b>
Gross Expenditure	78	78	-
Gross Income	-	-	-
<b>Net Expenditure</b>	<b>78</b>	<b>78</b>	<b>-</b>

<b>Community Safety</b>	<b>Budget £000</b>	<b>Q3 Forecast £000</b>	<b>Variance £000</b>
Gross Expenditure	407	469	62
Gross Income	(11)	(139)	(128)
<b>Net Expenditure</b>	<b>396</b>	<b>330</b>	<b>(66)</b>

<b>Animal Welfare</b>	<b>Budget £000</b>	<b>Q3 Forecast £000</b>	<b>Variance £000</b>
Gross Expenditure	7	16	9
Gross Income	(7)	(4)	3
<b>Net Expenditure</b>	<b>-</b>	<b>12</b>	<b>12</b>

<b>Environmental Protection</b>	<b>Budget £000</b>	<b>Q3 Forecast £000</b>	<b>Variance £000</b>
Gross Expenditure	585	630	45
Gross Income	(58)	(59)	(1)

<b>Net Expenditure</b>	<b>527</b>	<b>571</b>	<b>44</b>
------------------------	------------	------------	-----------

<b>Imported Food</b>	<b>Budget £000</b>	<b>Q3 Forecast £000</b>	<b>Variance £000</b>
Gross Expenditure	125	160	35
Gross Income	(316)	(363)	(47)
<b>Net Expenditure</b>	<b>(191)</b>	<b>(203)</b>	<b>(12)</b>

<b>Licensing</b>	<b>Budget £000</b>	<b>Q3 Forecast £000</b>	<b>Variance £000</b>
Gross Expenditure	790	624	(166)
Gross Income	(696)	(779)	(83)
<b>Net Expenditure</b>	<b>94</b>	<b>(155)</b>	<b>(249)</b>

<b>Environmental Health - Commercial</b>	<b>Budget £000</b>	<b>Q3 Forecast £000</b>	<b>Variance £000</b>
Gross Expenditure	517	576	59
Gross Income	(76)	(94)	(18)
<b>Net Expenditure</b>	<b>441</b>	<b>482</b>	<b>41</b>

<b>Homelessness</b>	<b>Budget £000</b>	<b>Q3 Forecast £000</b>	<b>Variance £000</b>
Gross Expenditure	613	929	316
Gross Income	(568)	(929)	(361)
<b>Net Expenditure</b>	<b>45</b>	<b>-</b>	<b>(45)</b>

<b>Housing Strategy</b>	<b>Budget £000</b>	<b>Q3 Forecast £000</b>	<b>Variance £000</b>
Gross Expenditure	77	76	(1)
Gross Income	(2)	(2)	-
<b>Net Expenditure</b>	<b>75</b>	<b>74</b>	<b>(1)</b>

<b>Housing Improvement Grants</b>	<b>Budget £000</b>	<b>Q3 Forecast £000</b>	<b>Variance £000</b>
Gross Expenditure	-	-	-
Gross Income	-	-	-



<b>Net Expenditure</b>	-	-	-
------------------------	---	---	---

<b>Planning</b>	<b>Budget £000</b>	<b>Q3 Forecast £000</b>	<b>Variance £000</b>
Building Control	250	106	(144)
Development Management	(211)	155	366
Planning Management	322	342	20
Planning Policy	613	607	(6)
Planning Specialists	270	306	36
<b>Total</b>	<b>1,244</b>	<b>1,516</b>	<b>272</b>

<b>Building Control</b>	<b>Budget £000</b>	<b>Q3 Forecast £000</b>	<b>Variance £000</b>
Gross Expenditure	703	895	192
Gross Income	(453)	(789)	(336)
<b>Net Expenditure</b>	<b>250</b>	<b>106</b>	<b>(144)</b>

<b>Development Management</b>	<b>Budget £000</b>	<b>Q3 Forecast £000</b>	<b>Variance £000</b>
Gross Expenditure	1,476	1,783	307
Gross Income	(1,687)	(1,628)	59
<b>Net Expenditure</b>	<b>(211)</b>	<b>155</b>	<b>366</b>

<b>Planning Management</b>	<b>Budget £000</b>	<b>Q3 Forecast £000</b>	<b>Variance £000</b>
Gross Expenditure	382	402	20
Gross Income	(60)	(60)	-
<b>Net Expenditure</b>	<b>322</b>	<b>342</b>	<b>20</b>

<b>Planning Policy</b>	<b>Budget £000</b>	<b>Q3 Forecast £000</b>	<b>Variance £000</b>
Gross Expenditure	1,370	1,364	(6)
Gross Income	(757)	(757)	-
<b>Net Expenditure</b>	<b>613</b>	<b>607</b>	<b>(6)</b>

<b>Planning Specialists</b>	<b>Budget £000</b>	<b>Q3 Forecast £000</b>	<b>Variance £000</b>
Gross Expenditure	295	372	77
Gross Income	(25)	(66)	(41)
<b>Net Expenditure</b>	<b>270</b>	<b>306</b>	<b>36</b>

- **Appendix B: Realignment of General Fund Budgets**

Service Expenditure	Original Budget	Old recharges	New recharges	Reserves	Depreciation	REFCUS	Pay Award	Realigned Budget
Business Performance & People	1,628	539	(87)	(284)	(590)	(826)	(11)	369
Chief Executive	320	136	(77)	-	(1)	-	(7)	371
Corporate Services	1,862	(69)	(147)	1	(32)	-	(24)	1,591
Digital Innovation & Commercialisation	364	4,128	(767)	-	(655)	-	(19)	3,051
Environmental Services & Climate Change	5,264	(989)	-	(388)	(949)	-	(75)	2,863
Resources	4,418	(150)	(442)	(135)	-	-	224	3,915
Housing, Health & Communities	3,260	(684)	173	(233)	(85)	(439)	(43)	1,949
Planning	3,202	(1,288)	137	(762)	-	-	(45)	1,244
<b>Net Cost of Services</b>	<b>20,318</b>	<b>1,623</b>	<b>(1,210)</b>	<b>(1,801)</b>	<b>(2,312)</b>	<b>(1,265)</b>	<b>-</b>	<b>15,353</b>
Transformation	400	-	-	-	-	-	-	400
Investment Properties	1,880	(68)	-	132	-	-	-	1,944
Corporate Items	(4,017)	454	(799)	1,669	2,312	1,265	-	884
External Funding	(11,525)	-	-	-	-	-	-	(11,525)
Council Tax Income	(7,056)	-	-	-	-	-	-	(7,056)
<b>Total</b>	<b>-</b>	<b>2,009</b>	<b>(2,009)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Appendix C: Service Breakdown – Housing Revenue Account

Estate Maintenance	Budget £000	Q3 Forecast £000	Variance £000
Gross Expenditure	268	268	-
Gross Income	-	-	-
<b>Net Expenditure</b>	<b>268</b>	<b>268</b>	<b>-</b>

Housing Services	Budget £000	Q3 Forecast £000	Variance £000
Gross Expenditure	974	1,047	73
Gross Income	-	(16)	(16)
<b>Net Expenditure</b>	<b>974</b>	<b>1,031</b>	<b>57</b>

Newport Depot	Budget £000	Q3 Forecast £000	Variance £000
Gross Expenditure	23	23	-
Gross Income	-	-	-
<b>Net Expenditure</b>	<b>23</b>	<b>23</b>	<b>-</b>

<b>Norse Partnership</b>	<b>Budget £000</b>	<b>Q3 Forecast £000</b>	<b>Variance £000</b>
Gross Expenditure	4,218	4,098	(120)
Gross Income	-	-	-
<b>Net Expenditure</b>	<b>4,218</b>	<b>4,098</b>	<b>(120)</b>

<b>Housing Repairs</b>	<b>Budget £000</b>	<b>Q3 Forecast £000</b>	<b>Variance £000</b>
Gross Expenditure	20	144	124
Gross Income	-	(1)	(1)
<b>Net Expenditure</b>	<b>20</b>	<b>143</b>	<b>123</b>

<b>Housing Sewage</b>	<b>Budget £000</b>	<b>Q3 Forecast £000</b>	<b>Variance £000</b>
Gross Expenditure	21	23	2
Gross Income	81)	(68)	13
<b>Net Expenditure</b>	<b>(60)</b>	<b>(45)</b>	<b>15</b>

<b>Common Services Flats</b>	<b>Budget £000</b>	<b>Q3 Forecast £000</b>	<b>Variance £000</b>
Gross Expenditure	488	467	(21)
Gross Income	(400)	(419)	(19)
<b>Net Expenditure</b>	<b>88</b>	<b>48</b>	<b>(40)</b>

<b>Rates &amp; Property</b>	<b>Budget £000</b>	<b>Q3 Forecast £000</b>	<b>Variance £000</b>
Gross Expenditure	4,400	4,445	45
Gross Income	(18,361)	(18,208)	153
<b>Net Expenditure</b>	<b>(13,961)</b>	<b>(13,763)</b>	<b>198</b>

<b>Sheltered Housing</b>	<b>Budget £000</b>	<b>Q3 Forecast £000</b>	<b>Variance £000</b>
Gross Expenditure	431	472	41
Gross Income	(839)	(834)	5
<b>Net Expenditure</b>	<b>(408)</b>	<b>(362)</b>	<b>46</b>

<b>Property Services</b>	<b>Budget £000</b>	<b>Q3 Forecast £000</b>	<b>Variance £000</b>
Gross Expenditure	1,041	1,521	480
Gross Income	-	(5)	(5)
<b>Net Expenditure</b>	<b>1,041</b>	<b>1,516</b>	<b>475</b>

## Appendix D: Capital – General Fund

### Resources

	Budget	Forecast	Variance	
	£'000s	£'000s	£'000s	Explanation
Finance System Replacement Budget	400	400	0	Fund anticipated to be used to meet Blueprint Uttlesford costs
	400	400	0	

### Business Performance & People

	Budget	Forecast	Variance	
	£'000s	£'000s	£'000s	Explanation
Car parking machine replacement	39	39	0	
Superfast broadband	207	107	(100)	£100k historic budget.
UK Shared Prosperity Fund (UKSPF)	200	200	0	
Rural England Prosperity Fund (REPF)	659	659	0	
	<b>1,105</b>	<b>1,005</b>	<b>(100)</b>	

## Digital Innovation & Commercialisation

	Budget £'000s	Forecast £'000s	• Variance £'000s	Explanation
Day centre cyclical improvements	0	(30)	30	Significant spend needed on SW Day Centre due to sinking. Waiting on professional assessment for accurate cost
Museum boiler	18	0	18	2k invoice in dispute. Asbestos found which also needs to be removed
Guildhall exterior works	0	(50)	50	Structural work needed, likely more than 50k. Some will be offset by Historic England
Museum buildings	30	0	30	
Electric car chargers	40	0	40	
Council offices improvements (general)	170	0	170	
London Road - fire alarm upgrade	50	0	50	
Minor items IT	20	0	20	
PCI compliance	20	0	20	
PSN CoCo	45	0	45	
Cyber security	33	0	33	
Grounds maintenance and vehicle systems	43	0	43	
Scanner replacement and postal software	9	(5)	14	Project is complete.
Move to servers Azure/AWS	35	0	35	
Saffron Walden CCTV	100	0	100	
Council's Assets Management Plan	317	0	317	
	<b>930</b>	<b>198</b>	<b>732</b>	

## Environmental Services & Climate Change

	Budget	Forecast	Variance	
	£'000s	£'000s	£'000s	Explanation
Household bins	70	0	70	
Trade waste bins	10	0	10	
Kitchen caddies	25	15	10	Unexpected popularity of kitchen caddies
Garden waste bins	20	0	20	
Vehicle replacement programme	1,051	0	1,051	
<b>1,161</b>	<b>1,176</b>	<b>15</b>	<b>1,161</b>	

## Housing, Health & Communities

	Budget	Forecast	Variance	
	£'000s	£'000s	£'000s	Explanation
LAHF - Cap Grt L&B	1,018	0	1,018	DLUHC have provided grant of £1.18m, UDC have agreed to obtain 5 homes
Community project grants	110	0	110	
Air quality monitoring (Saffron Walden Project)	239	0	239	
Private sector renewal grants (UHRA)	35	0	35	
Disabled Facilities Grants	298	0	298	
Empty dwellings	5	0	5	
Mortimer's Gate	74	0	74	
<b>1,779</b>	<b>1,779</b>	<b>0</b>	<b>1,779</b>	



## Investments

	<b>Budget</b> <b>£'000s</b>	<b>Forecast</b> <b>£'000s</b>	<b>Variance</b> <b>£'000s</b>	<b>Explanation</b>
Investments	13,732	14,750	1,018	Contractor is delivering faster than expected so overspend simply draws down from future years.
	13,732	14,750	1,018	

## Appendix E: Capital – HRA

### Existing Stock Maintenance

	Budget	Forecast	Variance	Explanation
	£'000s	£'000s	£'000s	
Existing stock maintenance	5,330	4,203	(1,127)	End of contract means an expected tailoring off of expenditure to ensure no expenditure happens in future years. Some elements of the capital budget subject to negotiations are not expected to be used (commercially sensitive).
<b>Total</b>	<b>5,330</b>	<b>4,203</b>	<b>(1,127)</b>	

### New Builds

	Budget	Forecast	Variance	Explanation
	£'000s	£'000s	£'000s	
Thaxted Road	55	55	0	Retention monies only
Takeley	1,080	0	(1,080)	Planning application pending - start delayed likely till 2025/26.
Woodlands, Great Dunmow	0	93	93	Final payment expected. Project Completion.
Garden sites	275	158	(117)	Final payments to be made over. However, project completion expected.
<b>Total</b>	<b>1,410</b>	<b>306</b>	<b>(1,104)</b>	

### Unidentified New Builds and Redevelopment

	Budget £'000s	Forecast £'000s	Variance £'000s	Explanation
Walden Place	50	114	64	Retention payment only.
Unidentified New Builds and Redevelopment Budget (Future Pipeline)	2,350	0	(2,350)	Budget to be removed to Capital Pipeline. No expenditure expected in 2024/25.
<b>Total</b>	<b>2,400</b>	<b>114</b>	<b>(2,286)</b>	

### Cash Incentive Scheme Grant

	Budget £'000s	Forecast £'000s	Variance £'000s	Explanation
Cash incentive scheme grants	50	50	0	Cash incentive to residents who downsize. Currently to budget but challenging to forecast.
<b>Total</b>	<b>50</b>	<b>50</b>	<b>0</b>	

## Appendix F: General Fund Reserves

General Fund Revenue Reserves	Estimated 31/03/2024 Position	Additions to reserves	Use of Reserves	Forecast at 31 March 2025
	£'000s	£'000s	£'000s	£'000s
<b>Ringfenced reserves</b>				
Business rates	486	1,736	-	2,222
Capital slippage	116	-	(116)	-
Licensing	89	7	-	96
Leisure/Private Finance Initiative	807	-	(100)	707
Working balance	1,844	65	-	1,909
<b>Total - Ringfenced reserves</b>	<b>3,342</b>	<b>1,808</b>	<b>(216)</b>	<b>4,934</b>
<b>Core reserves</b>				
Commercial assets	4,893	1,500	(869)	5,524
Transformation	2,000	-	(800)	1,200
Medium Term Financial Strategy	8,157	25	(1,141)	7,041
<b>Total - Core reserves</b>	<b>15,050</b>	<b>1,525</b>	<b>(2,810)</b>	<b>13,765</b>
<b>Member priorities</b>				
Economic development	184	-	(184)	-
Planning	714	-	(21)	693
Sustainable communities	1,250	-	(742)	508
Climate change	552	-	(388)	164
Major sports facilities	-	-	-	-
Voluntary sector	35	-	(35)	-
Coronation celebration grants	-	-	-	-
Cost of living support fund	135	-	(135)	-
<b>Total - Member priorities</b>	<b>2,870</b>	<b>-</b>	<b>(1,505)</b>	<b>1,365</b>
<b>Grants</b>				
Homelessness	337	-	(104)	233
Health and wellbeing	194	-	(24)	170
Air quality	-	-	-	-
Public health	207	-	(76)	131
Shared Prosperity Fund	-	-	-	-
Other	48	3	(2)	49
<b>Total - Grants</b>	<b>786</b>	<b>3</b>	<b>(206)</b>	<b>583</b>
<b>Total General Fund revenue reserves</b>	<b>22,048</b>	<b>3,336</b>	<b>(4,737)</b>	<b>20,647</b>

## Appendix G: Housing Revenue Account Reserves

HRA Reserves	Estimated 31/03/2024 Position £'000s	Additions to reserves £'000s	Use of Reserves £'000s	Forecast at 31 March 2025 £'000s
<b>Ringfenced reserves</b>				
Working balance	594	61	-	655
<b>Subtotal - Ringfenced reserves</b>	<b>594</b>	<b>61</b>	<b>-</b>	<b>655</b>
<b>Usable reserves</b>				
Revenue reserves	500	193	-	693
Transformation	580	420	(750)	250
<b>Subtotal - Usable reserves</b>	<b>1,080</b>	<b>613</b>	<b>(750)</b>	<b>943</b>
<b>Earmarked for capital purposes</b>				
Potential projects reserve	10	-	-	10
HRA capital slippage reserve	2	-	(2)	-
<b>Subtotal - Earmarked for capital purposes</b>	<b>12</b>	<b>-</b>	<b>(2)</b>	<b>10</b>
<b>Total - HRA revenue reserves</b>	<b>1,686</b>	<b>674</b>	<b>(752)</b>	<b>1,608</b>

## Appendix H: External Context for Treasury

### Economic background:

UK headline consumer price inflation (CPI) continued to decline over the quarter, falling from an annual rate of 3.2% in March to 2.0% in May, in line with the Bank of England's target. The core measure of inflation, however, only declined from 4.2% to 3.5% over the same period, which, together with stubbornly services price inflation at 5.7% in May, helped contribute to the BoE maintaining Bank Rate at 5.25% during the period, a level unchanged since August 2023.

Data released during the period showed that showed the UK economy had emerged from the technical recession at the end of 2023 to expand by 0.7% (upwardly revised from the initial estimate of 0.6%) in the first quarter of the calendar year. Monthly GDP data showed zero growth in April following an expansion of 0.4% in the previous month.

Labour market data continued to provide mixed messages for policymakers, exacerbated by issues the Office for National Statistics is having compiling the labour force survey. In the three months between February and April 2024, unemployment was up, employment fell, while the decline in vacancies slowed and wage growth remained elevated. Unemployment rose to 4.4% (3mth/year) while average regular earnings (excluding bonuses) was 6.0% and total earnings (including bonuses) was 5.9%. Adjusting for inflation, real regular pay rose by 2.3% and total pay by 2.2%. Given how keenly the 'second-round' impact of inflation on wages is watched by the BoE, policymakers will likely want to see more downward movement before cutting interest rates.

Having started the financial year at 5.25%, the Bank of England's Monetary Policy Committee (MPC) maintained Bank Rate at this level throughout the quarter. In line with expectations, at its June meeting, the Committee voted by a majority of 7-2 in favour of maintaining the status quo. The two dissenters preferred an immediate 0.25% reduction in Bank Rate to 5.0%. This continued dovish tilt by the Committee increased financial market expectations that the first cut in Bank Rate will likely be in August.

Earlier in May, in addition to an identical MPC rate decision and voting pattern, the Bank published the latest version of its Monetary Policy Report (MPR). Within the Report, the Committee noted that it expected four-quarter GDP growth to increase over the forecast period, reflecting the declining negative effects of past Bank Rate increases and the predicted downward path of interest rates which should provide support to economic activity. The trajectory of inflation was broadly similar to that in the previous MPR, albeit slightly lower towards the end of the forecast horizon due to the Committee's revised assessment of falling external inflationary pressures from past import price increases. This meant the Committee expected headline inflation to hit the 2% target two quarters sooner than in the February MPR. As was highlighted earlier, inflation data published in June showed that CPI inflation fell to the 2% target in May.

Arlingclose, the Council's treasury adviser, maintained its central view that 5.25% is the peak in Bank Rate and that interest rates will most likely be cut later in H2 2024.

The risks over the medium term are deemed to be to the upside as while inflation has fallen to target, it is expected to pick up again later in the year and as services price inflation and wage growth are still on the firmer side, the MPC could well delay before delivering the first rate cut.

The US Federal Reserve also maintained interest rates over the period, holding the Fed Funds Rate at 5.25%-5.50% for the seventh consecutive month in June, as was expected. US policymakers have maintained a relatively dovish stance throughout the period but have steadily reduced their predictions around the pace and timing of rate cuts in the face of higher inflation and firmer economic growth. At the meeting, economic projections pointed to one rate cut in calendar 2024 and four in 2025.

The European Central Bank cut rates in June, reducing its main refinancing rate from 4.50% to 4.25%. Inflation in the region fell to 2.5% in May, having increased in the previous month, but since February has been fairly sticky at between 2.4% and 2.6%. Economic growth in the region has picked up but remains weak, and with inflation above the ECB's target this continues put pressure on policymakers on how to balance these factors when setting monetary policy.

### **Financial markets:**

Sentiment in financial markets showed signs of improvement over the quarter, but bond yields remained volatile. Early in the period yields climbed steadily, but mixed signals from economic data and investors' constant reassessment of when rate cuts might come caused a couple of fairly pronounced but short lived dips in yields. Towards the end of the quarter yields rose once again and were generally higher than at the start of the period.

Over the quarter, the 10-year UK benchmark gilt yield started at 3.94% and ended at 4.18% having reached 4.41% in May. While the 20-year gilt started at 4.40%, hit 4.82% in May, before ending the period at 4.61%. The Sterling Overnight Rate (SONIA) averaged 5.20% over the quarter to 30th June.

### **Credit review:**

Arlingclose maintained its advised recommended maximum unsecured duration limit on all banks on its counterparty list at 100 days.

During the quarter, Fitch revised its outlook on Transport for London (TfL) to stable from negative while S&P upgraded its long-term rating for TfL to AA- from A+, in line with its rating of the UK sovereign.

Fitch also upgraded the long-term ratings for the main four Australian banks – Australia & New Zealand Banking Group, Commonwealth Bank of Australia, National Australia Bank and Westpac.

Having placed Warrington Borough Council on review for a downgrade in March, Moody's subsequently withdrew its ratings for the council in June.

Credit default swap prices started and ended the quarter at broadly similar levels in the UK as they did for the European, Singaporean and Australian lenders on

Arlingclose's counterparty list, while Canadian banks generally trended modestly downwards.

Financial market volatility is expected to remain a feature, at least in the near term and, credit default swap levels will be monitored for signs of ongoing credit stress. As ever, the institutions and durations on the Council's counterparty list recommended by Arlingclose remain under constant review.