

Committee:	Cabinet	Date: Thursday, 9 October 2025
Title:	Quarter 1 Finance Monitor	
Portfolio Holder:	Councillor Neil Hargreaves, Portfolio Holder for Finance and the Economy	
Report Author:	Lance Porteous, Director of Finance, Revenues and Benefits lporteous@uttlesford.gov.uk	Key decision: No

Summary

1. This report sets out the latest forecast financial performance of the Council including General Fund, Housing Revenue Account (HRA), Capital and Treasury Management. Forecasts are based upon actual income and expenditure from April to June 2025, together with predictions for the remainder of the financial year.
2. Overall, there is a £52k underspend in the General Fund. Service expenditure is underspending by £825k driven largely by staff vacancies, as well as additional commercial and planning income. These are offset by budget pressures against Investment Properties and Blueprint Uttlesford totalling £773k. More detail is provided in paragraphs 10 to 21.
3. The Housing Revenue Account (HRA) is forecasting an overspend of £310k mainly due to void properties awaiting redevelopment. A significant level of funds were put to HRA reserves at 31/03/25. These can easily meet this deficit as a one-off year scenario but not sustainable if not addressed. The 30 year business plan is nearing completion and will address the HRA's sustainability. More explanations of variances are provided in paragraphs 24 to 31.
4. Forecast General Fund capital expenditure is now £6.540 m against a budget of £6.198m. This technically represents an overspend of £0.342m, although this is budgeted for to be funded from revenue. More explanations of variances are provided in paragraphs 34 to 39.
5. Forecast HRA capital expenditure is now £10.197m and on budget. Further details are set out in paragraphs 41 to 45.
6. 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 2025. An update on the economy and financial markets has been provided by our Treasury Management advisors, Arlingclose in Appendix D.

Recommendations

7. The Cabinet is recommended to:

Note the contents of this report.

Financial Implications

8. Financial implications are set out throughout this report.

Background Papers

9. Budget Report to Council 2025/26 – (Link: [Impact](#))

Impact

10.

Communication/Consultation	Discussions between Budget Holders and Finance. Review at 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	343	296	(47)
Chief Executive	521	463	(58)
Corporate Services	1,563	1,421	(142)
Digital Innovation & Commercialisation	3,666	3,532	(134)
Environmental Services & Climate Change	3,256	3,122	(134)
Resources	3,257	2,192	(65)
Housing, Health & Communities	1,973	1,959	(14)
Planning	1,103	872	(231)
Net Cost of Services	15,682	14,857	(813)
Transformation (LGR)	250	250	0
Investment Properties	1,319	1,597	278
Corporate Items	2,292	2,292	0
Blueprint Uttlesford	(495)	0	495
External Funding	(10,813)	(10,813)	0
Council Tax Income	(7,381)	(7,381)	0
Total	854	802	(52)

Business Performance & People (£47k underspend)

11. This underspend is staff vacancies forecast to total £47k. Leisure Centre PFI payments of £342k are now being capitalised instead of recognised as revenue costs under IFRS16 Leases, although will be funded from Revenue.

Chief Exec (£58k underspend)

12. This underspend is occurring due to unexpected new burdens funding and staff vacancies.

Corporate Services (£142k underspend)

13. This underspend is due to staff vacancies in the Customer Services and Communications teams.

Digital Services & Commercialisation (£134k underspend)

14. Underspends are Canfield electricity now being charged to tenants of £90k and £44k worth of additional tenant rent at London Road and Canfield now being received.

Environmental Services & Climate Change (£134k underspend)

14. This underspend includes £61k lower than expected clearance cost for emptying tanks and £73k from reprofiling of climate change spend from 25/26 to 26/27.

Resources (£65k underspend)

15. Underspends here include £25k of small additional unconditional grants and £40k of extra income forecast re council tax sharing agreement with ECC.

Housing, Health & Communities (£14k underspend)

16. Various over and underspends largely netting off.

Planning (£231k underspend)

17. There is a £54k net underspend on staffing due to vacant posts. There is £31k overspend in specialist support that was not anticipated in budget setting.

18. There is also a £146k increase in Development Control fee income due to being undesignated and higher volume of applications.

Transformation

19. This is reserve funded and expected to be on budget.

Investment Income (£458k overspend)

Investment Properties	Budget £000	Q1 Forecast £000	Variance £000
Investment property income (net of management costs)	(11,135)	(11,135)	0
Borrowing costs	12,454	12,732	278
Total	1,319	1,597	278

20. Investment income is forecast to be on budget due to slightly lower Treasury investments at a higher interest rate than predicted.

21. Borrowing costs are overspending due to interest rates staying higher than predicted when setting the budget.

Corporate Items

Corporate Items	Budget £000	Q1 Forecast £000	Variance £000
Capital financing	1,951	1,951	0
Leisure PFI interest	403	403	0
Corporate pension costs (added years and deficit repair)	85	85	0
Treasury investment income	(365)	(365)	0
Contingency	468	468	0
Total	2,542	2,542	0

22. Of all of the above corporate items all are expected to be on budget. Treasury Investment income may slightly over-achieve due to interest rates staying higher than expected but that is looking marginal at this stage.

External Funding

23. Council Tax and Business Rates are expected to come in on budget.

Housing Revenue Account (HRA)

Net Expenditure by Service Area	Budget £'000s	Forecast £'000s	Variance £'000s
Service income			
Dwelling rents	(18,452)	(17,833)	619
Garage rents	(253)	(253)	0
Other rents	(2)	(2)	0
Charges for services & facilities	(1,329)	(1,255)	74
Subtotal - Service income	(20,036)	(19,343)	693
Rents, Rates & other property charges	224	224	0
Maintenance & repairs service expenditure			
Common service flats	488	513	25
Estate maintenance	5	5	0
Housing sewage	21	23	2
Newport Depot	3	41	38
Property services	1,032	1,282	250
Housing repairs (Axis)	4,074	3,966	(108)
Subtotal - Maintenance & repairs service expenditure	5,623	5,830	207
Management & homelessness expenditure			
Housing services	891	910	19
Sheltered housing services	438	441	3
Subtotal - Management & homelessness expenditure	1,329	1,351	22
One-off transformation costs	306	0	(306)
Subtotal - Service expenditure	7,482	7,405	(77)
Other operating income and expenditure	9,860	9,860	0
Subtotal - Operating (surplus)/deficit	(2,694)	(2,078)	616
Capital financing	2,944	2,944	0
Transfers to/(from) earmarked reserves	(250)	(556)	(306)
(Surplus)/Deficit	0	310	310

Service Income (£693k underachievement)

24. This is due to the Alexia House and the Parkside estate still being void waiting for redevelopment.

Rents, Rates & other property charges

25. These are expected to achieve budget.

Maintenance and repairs (£207k overspend)

26. Costs funded from Transformation for agency costs, procurement of responsive repairs contract, contract management training, common services flat repairs and Newport depot upkeep.

Management and homelessness (£22k overspend)

27. Overspend due to void property repair delays being addressed by engaging a new contractor.

Transformation (£306k underspend)

28. All of this budget of £306k offsets the maintenance and management overspends above.

Other Operating Income and Expenditure

29. Expected to be on budget this year.

Capital Financing

30. Expected to be on budget this year.

Transfers to/(from) Reserves (£306k over budget)

31. £306k from Transformation Reserve (leaving £694k), £250k from Property Investment Reserve (leaving £1,707k).

Capital – General Fund

32. The capital tables below include the original budget and associated forecast and variance. However, they also include a column for slippage from 2024/25. The variance is therefore the variance between the forecast and the budget plus slippage.

Capital Expenditure	Budget £'000s	Slippage from 2024/25 £'000s	Forecast £'000s	Variance £'000s
Resources	401	68	469	0
Business Performance & People	0	207	549	342
Digital Innovation & Commercialisation	1,906	100	2,006	0
Environmental Services & Climate Change	2,290	0	2,290	0
Housing, Health & Communities	235	956	1,191	0
Investments	0	0	0	0
Total	4,832	1,331	6,505	342
Ad'l Budgeted Revenue Funding				(342)
Net Variance				0

33. All Capital Projects are listed against their directorates in Appendix C. Commentary is below.

Resources

34. The new Enterprise Resources Program implementation project (Technology One) is in full swing and recently extended to go live in April 2026, without increasing the budget, although £68k of the budget element allocated to 2024/25 has slipped into this financial year.

Business Performance & People

35. The leisure lease PFI contract payments under IFRS16 are now capitalisable, although will ultimately be funded from revenue, which is budgeted for.

Digital Innovation & Commercialisation

36. There are many capital projects within this directorate, which are broken down in Appendix B.
37. All of the Digital Innovation & Commercialisation projects are expected to come in on budget this year, including Saffron Walden CCTV and London Road Fire Alarm projects, which were rephased and slipped from 2024/25 into 2025/26 respectively.
38. It is also worth drawing out that the Public Sector Decarbonisation Scheme has begun to be spent this year and is expected to fully spend its budget.

£207k from previous year's Superfast Essex Broadband project, administered by ECC, still has not begun but is now expected to happen this

Environmental Services & Climate Change

39. The waste services vehicle replacement programme is well underway and will be fully spent this year.

Housing Health & Communities

40. These are the works completed under the Disabled Facilities Grant, which will all be spent this year.

Investments

41. There are no capital acquisitions planned for investment this financial year.

Capital – Housing Revenue Account

Project	Budget £'000s	Slippage from 2024/25 £'000s	Forecast £'000s	Variance £'000s
Existing Stock Maintenance	2,742	0	2,742	0
Social Housing Decarbonization Fund (SHDF)	5,100	0	5,100	0
Garden sites (22 Tye Green)	117	248	365	0
Takeley	740	1,080	1,820	0
Technology One	170	0	170	0
Total	8,869	1,328	10,197	0

Existing Stock Maintenance

42. Programme of works being carried out by Axis so expected to be on budget.

New Builds

43. Garden sites and Woodlands are in the final stages of completion so will be fully spent.

44. Takeley development has been delayed but planning approval is immanent.

Social Housing Decarbonisation

45. The materials have been acquired and work is scheduled so should be fully spent this year.

Technology One

46. This is the HRA portion of the new enterprise resource program and is expected to be fully spent.

Treasury Management

47. Treasury management activities have been carried out throughout the period in accordance with the Treasury Management Strategy approved by Council in February 2025, without any breaches in the first quarter of 2025/26.

48. For the period from April to June 2025, the Council's weighted average cost of borrowing was 4.88%, whilst the weighted average return on treasury investments was 4.60%. The return on investments is lower than the cost of borrowing as although the Council borrows and lends with other Councils at the same rates, it also places some safer investments at a lower return. This means that recent delays in lowering of interest rates are reflected in higher interest paid and received compared to budget. 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

	Budget £000	Q1 Forecast £000	Variance £000
Investments			
Local Authorities (inc. HRA share)	(269)	(269)	0
MMFs	(85)	(85)	0
FIBCA	(11)	(11)	0
Aspire	(2,399)	(2,399)	0
Sub-total Investments	(2,764)	(2,764)	0
Borrowing			
Local Authorities	6,347	5,492	(855)
PWLB	4,579	5,712	1,133
Sub-total Borrowing	10,926	11,384	278
Net	8,162	8,620	278

49. There has been a £1.35m reduction in LA interest due to transfer this debt to PWLB to reduce short term borrowing, however this was partially offset by £280k increase due to the need for £7m of additional Aspire loans.

Prudential Indicators

Prudential Indicators	Budget	Slippage	Forecast	Variance
	£'000s	£'000s	£'000s	£'000s
Estimate of Capital Expenditure (CAPEX)				
General Fund **	4,867	1,789	6,656	342
Commercial Investments	0	0	0	0
Housing Revenue Account	9,489	708	10,197	0
Total Estimate of CAPEX	14,356	2,497	16,853	342
Estimate of Capital Financing Requirement at 31 March*				
General Fund	17.9m	N/A	17.9m	0
Commercial Investments	264.3m	N/A	264.3m	0
Housing Revenue Account	79.3m	N/A	79.3m	0
Total - Estimate of CFR at 31 March	361.5m	N/A	361.5m	0
Gross Debt at 31 March	319.7m	N/A	319.7m	0
Authorised Limit				
Authorised Limit for borrowing	420m	N/A	420m	0
Authorised Limit for other long-term liabilities	5m	N/A	5m	0
Total - Authorised limit for external debt	425m	N/A	425m	0
Operational boundary				
Operational boundary for borrowing	400m	N/A	400m	0
Operational boundary for other long-term liabilities**	5m	N/A	5m	0
Total - Operational boundary for external debt	405m	N/A	405m	0
Proportion of financing costs to net revenue stream	79.4%	N/A	76.6%	(2.8%)
Proportion of net income from commercial investments to net revenue stream	(71.0)%	N/A	(74.9)%	(3.9%)

* The draft annual financial statements for 2024/25 are available for review on the council website.

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

Risk Analysis

50.

Risk	Likelihood	Impact	Mitigating actions
Actual outturn will vary from forecast, requiring adjustments to reserves, future budgets and/or service delivery.	3 – as the current forecasts have been prepared towards the beginning of the financial year, the likelihood of significant variances at outturn are high.	2 – budget will continue to be closely monitored and prompt action taken if necessary to control and report variances	Monthly monitoring between budget holders and accountants, applying action plans where variances occur.

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

Business Performance & People	Budget £000	Q1 Forecast £000	Variance £000
Human Resources	410	410	0
Car Parks	(990)	(990)	0
Economic Dev	159	159	0
Private Finance Initiative	387	387	0
Contract, Performance & Risk Management	200	153	(47)
Internal Audit	177	177	0
Total	343	296	(47)

Human Resources	Budget £000	Q1 Forecast £000	Variance £000
Gross Expenditure	410	410	0
Gross Income	0	0	0
Net Expenditure	410	410	0

Car Parks	Budget £000	Q1 Forecast £000	Variance £000
Gross Expenditure	517	557	40
Gross Income	(1,508)	(1,547)	(40)
Net Expenditure	(990)	(990)	(0)

Economic Development	Budget £000	Q1 Forecast £000	Variance £000
Gross Expenditure	159	420	261
Gross Income	0	(261)	(261)
Net Expenditure	159	159	0

Private Finance Initiative	Budget £000	Q1 Forecast £000	Variance £000
Gross Expenditure	942	942	0
Gross Income	(450)	(450)	0
Movement on reserve	(105)	(105)	0
Net Expenditure	387	387	0

Contract, Performance & Risk Management	Budget £000	Q1 Forecast £000	Variance £000
Gross Expenditure	200	153	(47)
Gross Income	0	0	0
Net Expenditure	200	153	(47)

Internal Audit	Budget £000	Q1 Forecast £000	Variance £000
Gross Expenditure	177	177	0
Gross Income	0	0	0
Net Expenditure	177	177	0

Chief Executive	Budget £000	Q1 Forecast £000	Variance £000
Land Charges	(2)	(37)	(35)
Conducting Elections	0	0	0
Electoral Registration	195	189	(6)
Legal Services	328	310	(18)
Total	521	463	(58)

Land Charges	Budget £000	Q1 Forecast £000	Variance £000
Gross Expenditure	150	138	(13)
Gross Income	(152)	(174)	(22)
Net Expenditure	(2)	(37)	(35)

Conducting Elections	Budget £000	Q1 Forecast £000	Variance £000
Gross Expenditure	0	0	0
Gross Income	0	0	0
Net Expenditure	0	0	0

Electoral Registration	Budget £000	Q1 Forecast £000	Variance £000
Gross Expenditure	196	191	(6)
Gross Income	(2)	(2)	0
Net Expenditure	195	189	(6)

Legal Services	Budget £000	Q1 Forecast £000	Variance £000
Gross Expenditure	378	350	(28)
Gross Income	(50)	(40)	10
Net Expenditure	328	310	(18)

Corporate Services	Budget £000	Q1 Forecast £000	Variance £000
Saffron Walden Museum	282	265	(17)
Customer Services Centre	425	302	(123)
Community Information Centres	15	13	(2)
Committee Administration	183	183	(0)
Democratic Representation	381	381	0
Communications	277	277	0
Total	1,563	1,421	(142)

Saffron Walden Museum	Budget £000	Q1 Forecast £000	Variance £000
Gross Expenditure	313	297	(16)
Gross Income	(31)	(32)	(1)
Net Expenditure	282	265	(17)

Customer Services Centre	Budget £000	Q1 Forecast £000	Variance £000
Gross Expenditure	425	302	(123)
Gross Income	0	0	0
Net Expenditure	425	302	(123)

Community Information Centres	Budget £000	Q1 Forecast £000	Variance £000
Gross Expenditure	22	22	0
Gross Income	(7)	(9)	(2)
Net Expenditure	15	13	(2)

Committee Administration	Budget £000	Q1 Forecast £000	Variance £000
Gross Expenditure	183	183	0
Gross Income	0	0	0
Net Expenditure	183	183	0

Democratic Representation	Budget £000	Q1 Forecast £000	Variance £000
Gross Expenditure	381	381	0
Gross Income	(0)	(0)	0
Net Expenditure	381	381	0

Communications	Budget £000	Q1 Forecast £000	Variance £000
Gross Expenditure	285	285	0
Gross Income	(8)	(8)	0
Net Expenditure	277	277	0

Digital Innovation & Commercialisation	Budget £000	Q1 Forecast £000	Variance £000
Central Services	487	487	0
Information Technology	1,950	1,950	0
Information Governance	126	126	0
Cleaning	259	259	0
Offices	856	722	(134)
Local Amenities	(13)	(13)	0
Total	3,665	3,531	(134)

Central Services	Budget £000	Q1 Forecast £000	Variance £000
Gross Expenditure	528	528	0
Gross Income	(41)	(41)	0
Net Expenditure	487	487	0

Information Technology	Budget £000	Q1 Forecast £000	Variance £000
Gross Expenditure	1,950	1,950	0
Gross Income	0	0	0
Net Expenditure	1,950	1,950	0

Information Governance	Budget £000	Q1 Forecast £000	Variance £000
Gross Expenditure	126	126	(0)
Gross Income	0	0	0
Net Expenditure	126	126	(0)

Offices	Budget £000	Q1 Forecast £000	Variance £000
Gross Expenditure	1,461	1,461	0
Gross Income	(605)	(605)	0
Net Expenditure	856	856	0

Local Amenities	Budget £000	Q1 Forecast £000	Variance £000
Gross Expenditure	1,461	1,371	(90)
Gross Income	(605)	(649)	(44)
Net Expenditure	856	722	(134)

Environmental Services & Climate Change	Budget £000	Q1 Forecast £000	Variance £000
Grounds Maintenance	478	478	0
Depots	41	(31)	(72)
Climate Change	178	105	(73)
Street Cleansing	548	559	11
Vehicle Management	795	795	0
Waste Management	884	884	0
Street Services	332	332	0
Total	3,256	3,122	(134)

Grounds Maintenance	Budget £000	Q1 Forecast £000	Variance £000
Gross Expenditure	485	504	19
Gross Income	(6)	0	6
Net Expenditure	478	504	26

Depots	Budget £000	Q1 Forecast £000	Variance £000
Gross Expenditure	112	51	(61)
Gross Income	(71)	(82)	(11)
Net Expenditure	41	(31)	(72)

Climate Change	Budget £000	Q1 Forecast £000	Variance £000
Gross Expenditure	341	233	(108)
Gross Income	(163)	(128)	35
Net Expenditure	178	105	(73)

Street Cleansing	Budget £000	Q1 Forecast £000	Variance £000
Gross Expenditure	596	603	7
Gross Income	(49)	(44)	5
Net Expenditure	547	559	12

Vehicle Management	Budget £000	Q1 Forecast £000	Variance £000
Gross Expenditure	830	651	(179)
Gross Income	(35)	(30)	5
Net Expenditure	795	621	(174)

Waste Management	Budget £000	Q1 Forecast £000	Variance £000
Gross Expenditure	4,323	4,358	35
Gross Income	(3,439)	(3,445)	(6)
Net Expenditure	884	913	29

Street Services	Budget £000	Q1 Forecast £000	Variance £000
Gross Expenditure	332	270	(62)
Gross Income	0	0	0
Net Expenditure	332	270	(62)

Resources	Budget £000	Q1 Forecast £000	Variance £000
Benefits Administration	444	444	0
Housing Benefits	314	314	0
Council Tax Collection	(100)	(100)	0
Non Domestic Rates Collection	(158)	(158)	0
Revenues Administration	583	558	(25)
Council Tax Support	(179)	(219)	(40)
Financial Services	1,237	1,237	0
Corporate Management	1,116	1,116	0
Total	3,257	3,192	(65)

Benefits Administration	Budget £000	Q1 Forecast £000	Variance £000
Gross Expenditure	582	582	0
Gross Income	(138)	(138)	0
Net Expenditure	444	444	0

Housing Benefits	Budget £000	Q1 Forecast £000	Variance £000
Gross Expenditure	12,141	12,141	0
Gross Income	(11,827)	(11,827)	0
Net Expenditure	314	314	0

Council Tax Collection	Budget £000	Q1 Forecast £000	Variance £000
Gross Expenditure	60	93	33
Gross Income	(239)	(312)	(73)
Net Expenditure	(179)	(219)	(40)

Non-Domestic Rates Collection	Budget £000	Q1 Forecast £000	Variance £000
Gross Expenditure	0	0	0
Gross Income	(158)	(158)	0
Net Expenditure	(158)	(158)	0

Revenues Administration	Budget £000	Q1 Forecast £000	Variance £000
Gross Expenditure	771	746	(25)
Gross Income	(188)	(188)	0
Net Expenditure	583	558	(25)

Council Tax Support	Budget £000	Q1 Forecast £000	Variance £000
Gross Expenditure	60	93	33
Gross Income	(239)	(312)	(73)
Net Expenditure	(179)	(219)	(40)

Financial Services	Budget £000	Q1 Forecast £000	Variance £000
Gross Expenditure	1,239	1,239	0
Gross Income	(2)	(2)	0
Net Expenditure	1,237	1,237	0

Corporate Management	Budget £000	Q1 Forecast £000	Variance £000
Gross Expenditure	1,822	1,822	0
Gross Income	(706)	(706)	0
Net Expenditure	1,116	1,116	0

Housing, Health & Communities	Budget £000	Q1 Forecast £000	Variance £000
Community Hubs	18	20	2
Emergency Planning	36	55	19
Grants & Contributions	501	501	0
Health Improvement	121	121	0
Ward Member Grants	0	0	0
Community Safety	282	328	46
Animal Welfare	6	11	5
Environmental Protection	496	570	74
Imported Food	(200)	(299)	(99)
Licensing	37	88	51
Environmental Health - Commercial	505	482	(23)
Homelessness	80	13	(67)
Housing Strategy	92	70	(22)
Housing Improvement Grants	0	0	0
Total	1,974	1,960	(14)

Community Hubs	Budget £000	Q1 Forecast £000	Variance £000
Gross Expenditure	4,103	4,318	216
Gross Income	(2,083)	(2,360)	(276)
Net Expenditure	2,019	1,959	(61)

Emergency Planning	Budget £000	Q1 Forecast £000	Variance £000
Gross Expenditure	36	55	19
Gross Income	0	0	0
Net Expenditure	36	55	19

Grants & Contributions	Budget £000	Q1 Forecast £000	Variance £000
Gross Expenditure	550	550	0
Gross Income	(49)	(49)	0
Net Expenditure	501	501	0

Health Improvement	Budget £000	Q1 Forecast £000	Variance £000
Gross Expenditure	161	178	17
Gross Income	(40)	(57)	(17)
Net Expenditure	121	121	0

Community Safety	Budget £000	Q1 Forecast £000	Variance £000
Gross Expenditure	294	502	208
Gross Income	(12)	(174)	(162)
Net Expenditure	282	328	46

Animal Welfare	Budget £000	Q1 Forecast £000	Variance £000
Gross Expenditure	10	15	5
Gross Income	(4)	(4)	0
Net Expenditure	6	11	5

Environmental Protection	Budget £000	Q1 Forecast £000	Variance £000
Gross Expenditure	599	643	44
Gross Income	(103)	(73)	30
Net Expenditure	496	570	74

Imported Food	Budget £000	Q1 Forecast £000	Variance £000
Gross Expenditure	180	217	37
Gross Income	(379)	(515)	(136)
Net Expenditure	(199)	(298)	(99)

Licensing	Budget £000	Q1 Forecast £000	Variance £000
Gross Expenditure	760	674	(86)
Gross Income	(723)	(586)	137
Net Expenditure	37	88	51

Environmental Health - Commercial	Budget £000	Q1 Forecast £000	Variance £000
Gross Expenditure	587	564	(23)
Gross Income	(82)	(82)	0
Net Expenditure	505	482	(23)

Homelessness	Budget £000	Q1 Forecast £000	Variance £000
Gross Expenditure	735	769	34
Gross Income	(655)	(756)	(101)
Net Expenditure	80	13	(67)

Housing Strategy	Budget £000	Q1 Forecast £000	Variance £000
Gross Expenditure	172	130	(42)
Gross Income	(80)	(60)	20
Net Expenditure	92	70	(22)

Planning	Budget £000	Q1 Forecast £000	Variance £000
Building Control	194	91	(103)
Development Management	(467)	(612)	(145)
Planning Management	429	429	0
Planning Policy	611	582	(29)
Planning Specialists	335	381	46
Total	1,103	871	(231)

Building Control	Budget £000	Q1 Forecast £000	Variance £000
Gross Expenditure	989	915	(74)
Gross Income	(795)	(824)	(29)
Net Expenditure	194	91	(103)

Development Management	Budget £000	Q1 Forecast £000	Variance £000
Gross Expenditure	1,590	1,735	145
Gross Income	(2,057)	(2,347)	(291)
Net Expenditure	(467)	(612)	(145)

Planning Management	Budget £000	Q1 Forecast £000	Variance £000
Gross Expenditure	429	429	(0)
Gross Income	0	0	0
Net Expenditure	429	429	(0)

Planning Policy	Budget £000	Q1 Forecast £000	Variance £000
Gross Expenditure	611	598	(14)
Gross Income	0	(16)	(16)
Net Expenditure	611	582	(29)

Planning Specialists	Budget £000	Q1 Forecast £000	Variance £000
Gross Expenditure	356	426	69
Gross Income	(21)	(44)	(23)
Net Expenditure	335	381	46

Appendix B: Service Breakdown – Housing Revenue Account

Estate Maintenance	Budget £000	Q1 Forecast £000	Variance £000
Gross Expenditure	5	5	0
Gross Income	0	0	0
Net Expenditure	5	5	0

Housing Services	Budget £000	Q1 Forecast £000	Variance £000
Gross Expenditure	891	910	19
Gross Income	0	(36)	(36)
Net Expenditure	891	874	(17)

Newport Depot	Budget £000	Q1 Forecast £000	Variance £000
Gross Expenditure	3	41	38
Gross Income	0	0	0
Net Expenditure	3	41	38

Norse Partnership	Budget £000	Q1 Forecast £000	Variance £000
Gross Expenditure	2,838	2,730	(108)
Gross Income	0	0	0
Net Expenditure	2,838	2,730	(108)

Housing Repairs	Budget £000	Q1 Forecast £000	Variance £000
Gross Expenditure	1,236	1,236	0
Gross Income	0	0	0
Net Expenditure	1,236	1,236	0

Housing Sewage	Budget £000	Q1 Forecast £000	Variance £000
Gross Expenditure	21	23	2
Gross Income	(66)	(62)	4
Net Expenditure	(45)	(39)	6

Common Services Flats	Budget £000	Q1 Forecast £000	Variance £000
Gross Expenditure	488	513	25
Gross Income	(400)	(400)	0
Net Expenditure	88	113	25

Rates & Property	Budget £000	Q1 Forecast £000	Variance £000
Gross Expenditure	224	224	0
Gross Income	(18,633)	(18,311)	321
Net Expenditure	(18,409)	(18,087)	321

Sheltered Housing	Budget £000	Q1 Forecast £000	Variance £000
Gross Expenditure	438	441	3
Gross Income	(854)	(751)	103
Net Expenditure	(416)	(310)	105

Property Services	Budget £000	Q1 Forecast £000	Variance £000
Gross Expenditure	1,032	1,282	250
Gross Income	0	(6)	(6)
Net Expenditure	1,032	1,276	244

Appendix C: Capital – General Fund

Resources

Capital Projects	Budget	Slippage	Forecast	Variance	
	£'000s	£'000s	£'000s	£'000s	Explanation
Finance System Replacement Budget	401	68	469	0	Extended to a Go Live of 1 st April by Cabinet.

Business Performance & People

Capital Projects	Budget	Slippage	Forecast	Variance	
	£'000s	£'000s	£'000s	£'000s	Explanation
Superfast Essex Broadband	0	207	207	0	Led by ECC but has been delayed from last year.
The leisure lease PFI contract payments	0	0	342	342	£342k of lease costs capitalisable under IFRS16, although will ultimately be funded from revenue.
	0	207	549	342	

Digital Innovation & Commercialisation

Capital Projects	Budget	Slippage	Forecast	Variance	
	£'000s	£'000s	£'000s	£'000s	Explanation
Saffron Walden CCTV	100	0	100	0	Reprofiled from 2024/25 during 2024/25.
London Road Fire Alarm Upgrade	0	100	100	0	Slipped from 2024/25 at 31/03/25.
Public Sector Decarbonisation Scheme	716	0	716	0	A project to significantly decarbonise the London Road office by installing air source heat pumps, solar panels and secondary double glazing.
Day centre cyclical improvements	20	0	20	0	Expected to be on budget.
Museum buildings	30	0	30	0	Expected to be on budget.
Electric car chargers	15	0	15	0	Expected to be on budget.
Hotdesking equipment	30	0	30	0	Expected to be on budget.
Culture AI	13	0	13	0	Expected to be on budget.
Corporate laptop/device replacement	40	0	40	0	Expected to be on budget.
Asset Management Plan	907	0	907	0	Expected to be on budget.
Corporate mobile phone replacement	35	0	35	0	Expected to be on budget.
	1,906	100	2,006	0	

Environmental Services & Climate Change

Capital Projects	Budget £'000s	Slippage £'000s	Forecast £'000s	Variance £'000s	Explanation
Vehicle replacement programme	2,290	0	2,290	0	Waste vehicles have begun to be replaced and will be in place this financial year.

Housing, Health & Communities

Capital Projects	Budget £'000s	Slippage £'000s	Forecast £'000s	Variance £'000s	Explanation
Disabled Facilities Grants	235	0	235	0	Annual allocation should be spent.
LA Homelessness Fund Grant	0	806	806	0	Ringfenced so brought forward from prior years
Community Projects	0	150	150	0	Request to carry forward approved
Totals	235	956	1,191	0	

Investments

Capital Projects	Budget £'000s	Slippage £'000s	Forecast £'000s	Variance £'000s	Explanation
Investments					No additions

Appendix D: External Context from Arlingclose

Economic background: The quarter started to significant financial market volatility as US President Donald Trump announced a wide range of 'reciprocal' trade tariffs in early April, causing equity markets to decline sharply which was subsequently followed by bond markets as investors were increasingly concerned about US fiscal policy. As the UK was included in these increased tariffs, equity and bond markets here were similarly affected by the uncertainty and investor concerns.

President Trump subsequently implemented a 90-day pause on most of the tariffs previously announced, which has been generally positive for both equity and bond markets since, but heightened uncertainty and volatility remained a feature over the period.

UK headline consumer price inflation (CPI) increased over the quarter, rising from an annual rate of 2.6% in March to 3.4% in May, well above the Bank of England's 2% target. The core measure of inflation also increased, from 3.4% to 3.5% over the same period. May's inflation figures were generally lower than in the previous month, however, when CPI was 3.5% and core CPI 3.8%. Services inflation was 4.7% in May, a decline from 5.4% in the previous month.

Data released during the period showed the UK economy expanded by 0.7% in the first quarter of the calendar year, following three previous quarters of weaker growth. However, monthly GDP data showed a contraction of 0.3% in April, suggesting growth in the second quarter of the calendar year is unlikely to be as strong as the first.

Labour market data appeared to show a softening in employment conditions as weaker earnings growth was reported for the period February to April 2025, in what would no doubt be welcome news to Bank of England (BoE) policymakers. Regular earnings (excluding bonuses) was 5.2% 3mth/yoy while total earnings was 5.3%. Both the employment and unemployment rates increased, while the economic inactivity rate and number of vacancies fell.

Having started the financial year at 4.5%, the Bank of England's Monetary Policy Committee (MPC) cut Bank Rate to 4.25% in May. The 5-4 vote was split with the majority wanting a 25bps cut, two members voting to hold rates at 4.5% and two voting for a 50bps reduction. At the June MPC meeting, the committee voted by a majority of 6-3 to keep rates on hold. The three dissenters wanted an immediate reduction to 4%. This dovish tilt by the Committee is expected to continue and financial market expectations are that the next cut will be in August, in line with the publication of the next quarterly Monetary Policy Report (MPR).

The May version of the MPR highlighted the BoE's view that disinflation in domestic inflation and wage pressures were generally continuing and that a small margin of excess supply had opened in the UK economy, which would help inflation to fall to the Bank's 2% over the medium term. While near-term GDP growth was predicted to be higher than previously forecast in the second quarter of calendar 2025, growth in the same period the following year was trimmed back, partly due to ongoing global trade developments.

Arlingclose, the authority's treasury adviser, maintained its central view that Bank Rate would continue to fall, and that the BoE would focus more on weak GDP growth rather than stickier and above-target inflation. Two more cuts to Bank Rate are expected during 2025, taking the main policy rate to 3.75%, however the balance of risks is deemed to be to the downside as weak consumer sentiment and business confidence and investment impact economic growth.

Despite the uncertainty around US trade policy and repeated calls for action from the US President, the US Federal Reserve held interest rates steady the period, maintaining the Fed Funds Rate at 4.25%-4.50%. The decision in June was the fourth consecutive month where no changes were made to the

main interest rate and came despite forecasts from Fed policymakers that compared to a few months ago they now expected lower growth, higher unemployment and higher inflation.

The European Central Bank cut rates in June, reducing its main refinancing rate from 2.25% to 2.0%, and representing the eighth cut in just over a year. ECB noted heightened uncertainty in the near-term from trade and that stronger economic growth in the first quarter of the calendar may weaken. Inflation in the region rose to 2.0% in June, up from an eight-month low of 1.9% in the previous month but in line with the ECB's target. Inflation is expected to stay broadly around the 2% target over the next year or so.

Financial markets: After the sharp declines seen early in the quarter, sentiment in financial markets showed signs of improvement during the period, but bond and equity markets remained volatile. Early in the period bond yields fell, but then uncertainty from the impact of US trade policy caused bonds to sell-off but from the middle of May onwards, yields have steadily declined, but volatility continues. Equity markets sold off sharply in April but have seen gained back most of the previous declines, with investors seemingly remaining bullish in the face of ongoing uncertainty.

Over the quarter, the 10-year UK benchmark gilt yield started at 4.65% and ended at 4.49% having hit 4.82% early in April and falling to 4.45% by the end of the same month. While the 20-year gilt started at 5.18%, fell to 5.02% a few days later before jumping to 5.31% within a week, and then ending the period at 5.16%. The Sterling Overnight Rate (SONIA) averaged 4.31% over the quarter to 30th June.

Credit review: Arlingclose maintained its advised recommended maximum unsecured duration limit on the majority of the banks on its counterparty list at 6 months. The other banks remain on 100 days.

During the quarter, Fitch upgraded NatWest Group and related entities to AA- from A+ due to the generally stronger business profile. Fitch also placed Clydesdale Bank's long-term A- rating on Rating Watch Positive

Moody's downgraded the long term rating on the United States sovereign to Aa1 in May and also affirmed OP Corporate's rating at Aa3.

Credit default swap prices on UK banks spiked in early April following the US trade tariff announcements but have since generally trended downwards and ended the quarter at levels broadly in line with those in the first quarter of the calendar year and throughout most of 2024.

European banks' CDS prices followed a fairly similar pattern, albeit some German banks are modestly higher compared to the previous quarter. Trade tensions between Canada and the US caused Canadian bank CDS prices to rise over the quarter and remain elevated compared to earlier in 2025 and in 2024, while Singaporean and Australian lenders CDS rose initially in April but have since trended downwards, albeit are modestly higher than in previous recent periods.

Overall, at the end of the period CDS prices for all banks on Arlingclose's counterparty list remained within limits deemed satisfactory for maintaining credit advice at current durations.

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 Authority's counterparty list recommended by Arlingclose remain under constant review.