

Title: Finance Report

Committee: Finance and Assets Committee

Date: 28th November 2024

Author: Director, Finance

Report No: Z107

Contact Officer: Ian Smith

Director, Finance

Tel: (01353) 616470

E-mail: ian.smith@eastcambes.gov.uk

Room 104. The Grange, Ely

1.0 Issue

- 1.1 This report provides Members with budget monitoring information for services under the Finance & Assets Committee and then, as part of its corporate remit, for the Council as a whole.

2.0 Recommendation(s)

2.1 Members are requested to note:

- this Committee has a projected yearend underspend of £746,000 when compared to its approved revenue budget of £7,016,768.
- that overall, the Council has a projected yearend underspend of £477,000 when compared to its approved revenue budget of £18,840,342.
- that the overall position for the Council on Capital is a projected outturn of £5,708,033, which is an underspend of £1,972,508 when compared to the revised budget.

3.0 Budget Monitoring

- 3.1 Under Financial Regulations, each policy committee is required to consider projections of financial performance against both its revenue and capital budget on a quarterly basis, with this Committee further considering the overall Council position.
- 3.2 This is the second report for the 2024/25 financial year and details actual expenditure incurred and income received as of 30th September 2024 and projections as to the yearend position at this time.

Revenue

- 3.3 Appendix 1 details the overall revenue position for both this Committee and the Council overall. In appendix 1 the budgets under the stewardship of this

Committee are shown in detail, with then, the position for the Operational Services Committee and the funding lines shown in summary.

- 3.4 The detailed revenue position for the Operational Services Committee is shown in appendix 2. There are currently three forecast yearend variances being reported, with the net position being that the Committee is forecast to come in £325,000 overspent at yearend. There are two overspends; £300,000 in Planning and £70,000 in Building Control where both cases, income levels are significantly lower than budgeted. Licensing is forecasting an underspend of £45,000. Further details are included in the budget monitoring report presented to Operational Services Committee on the 18th November 2024.
- 3.5 With regard to the Finance and Assets Committee, the significant variances of actual spend compared to profiled budgeted spend at the end of September 2024, where no variance is forecast at yearend, are detailed in the table below:

Service	Variance £	Explanation
Corporate Management	(£118,658)	Accruals for External Audit for 2022/23 and 2023/24 remain unpaid while work continues.
Cost of other Elections	(£33,003)	Roll forward of income from external elections in previous years, will be refunded or put in reserve during 2024/25.
Local Elections	(£18,847)	Roll forward of MHCLG grant into 2024/25 – ring fenced expenditure rules applicable
Parks & Gardens	(£14,369)	Month 6 management fee invoices weren't received and paid until month 7.
Registration of Electors	(£37,478)	Roll forward of grant income from 2023/24 will be used to fund work in the current year.
Sport & Recreation	(£51,128)	Roll forward of unspent grants for Healthy you and Older Adults exercise.

- 3.6 The total forecast yearend underspend for Committee is £746,000. This covers a number of service areas, explanations for which are detailed in the table below:

Service	Variance £	Explanation
Economic Development	(£30,000)	Occupancy rates at the e-space centres were in advance of the level projected in the budget during the first quarter of the year, levels have reverted nearer to budget in the

		<p>second quarter, therefore a prudent forecast has been made for the whole year.</p> <p>The £494,000 expenditure variance at the end of quarter two relates to expenditure on UKPSF Pride of place and Business Growth Grant Fund projects which will be recouped from the Combined Authority.</p>
General Gang	(£20,000)	This results from a staff vacancy in the first six months of the year. The current staffing requirement is being reviewed.
Housing Benefits	(£6,000)	When the 2024/25 budget was prepared we only had the August 2023 Housing Benefit Subsidy return to calculate the budget. This latest forecast is calculated based on more up to date information.
Housing Strategic	(£60,000)	<p>There are currently staff vacancies in the Housing Strategic team.</p> <p>The expenditure variance at the end of quarter 2 relates to costs that will be matched against Section 106 income as part of the closedown process.</p>
Interest & Financial Transactions	(£350,000)	Interest received on investments is in advance of budget for the first half of the year, but is countered, to some extent, by additional credit card charges.
Land Charges Admin	(£6,000)	Saving in staff over the first six months of this financial year
Legal Services	(£38,000)	This forecast position is the result of savings in staff salaries during the first six months of the year.
Local Plans	(£150,000)	<p>Higher than anticipated neighbourhood planning grants have been received from government in the past year, this reflects the high volume of neighbourhood planning activity in the District.</p> <p>The full budget allocation made for the Local Plan in 2024/25 will not be needed, but additional budget resource will be built into the MTFs in future</p>

		years as the overall cost forecast remains the same.
Management Team	(£40,000)	The Chief Executive's reduction in working hours has resulted in this forecast saving.
Member & Committee Support	(£60,000)	Due to changes in staffing in Democratic Services in the first half of the year, underspends have occurred. This will be reviewed in quarter 3 now there is a full complement of staff.
Misc Finance	£14,000	Early retirement unfunded pensions have a £7,000 overspend due to a prior year adjustment and a 6.7% inflation increase. MRP has cost an additional £7,000 this year.
Office Accommodation	(£20,000)	This is a result of savings on staff salaries during the first six months of the year.
Parking of Vehicles	£10,000	Income is down for the first half of the year at our commuter car parks.
Public Conveniences	£10,000	Holiday and sickness absences have had to be covered by external contractors this year, due to current staff being unavailable.
Internal Drainage Boards	(£56,000)	The Internal Drainage Boards (IDB) prepare their budgets at the same time as the Council, so assumptions need to be made as to the actual levy to be charged and charges have proved to be higher than budgeted. However, we have received MHCLG grant (provided to a small number of councils worse impacted by the increase in IDB levies) which more than compensates us in year.

Capital

- 3.7 The Council's revised capital budget stands at £7,680,541; including £1,105,576 of slippage brought forward from 2023/24.
- 3.8 The outturn position is forecast to be £5,708,033, an underspend of £1,972,508. The forecast underspend relates to four schemes. Three underspends; Waste

bins (£1,000,000) where it is now thought that the new bins will be purchased in 2025/26 at the same point as the other Waste Services Review costs; the Bereavement Centre where the revised timeline, no longer expects any work on the ground to take place in 2024/25 and so costs in this year will be lower than in the original budget and the loan to EC CLT where some buyers have put in more equity than expected in the original business case which has resulted in the CLT needing to drawdown less of its loan facility.

3.9 The overspend relates to vehicle replacement where a road sweeper was purchased for use by ECTC (this will be funded by S106 at yearend).

4.0 Arguments/Conclusions

4.1 The projected net revenue expenditure for the Council is forecast to be a £477,000 underspend compared to the Council’s approved budget. This will be moved to the Surplus Savings Reserve at yearend.

5.0 Additional Implications Assessment

5.1 In the table below, please put Yes or No in each box:

Financial Implications Yes	Legal Implications No	Human Resources (HR) Implications No
Equality Impact Assessment (EIA) No	Carbon Impact Assessment (CIA) No	Data Protection Impact Assessment (DPIA) No

5.2 Financial Implications

The forecast underspend reported in this report has been added to the Council’s Surplus Savings Reserve and will become available to balance the budget in future years.

6.0 Appendices

Appendix 1 – Summary Budget Monitoring Report – 30th September 2024

Appendix 2 – Operational Services Budget Monitoring Report – 30th September 2024

Appendix 3 – Capital Budget Monitoring Report – 30th September 2024

Appendix 4 – Reserve Balances – 30th September 2024

7.0 Background Documents:

Council Budget approved by Full Council on the 20th February 2024