
FINANCE REPORT

Committee: Finance & Assets Committee

Date: 25th November 2021

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[W114]

1. 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. RECOMMENDATION (S)

- 2.1 Members are requested to note:

- this Committee has a projected yearend underspend of £197,560 when compared to its approved revenue budget of £5,517,792.
- that overall the Council has a projected yearend underspend of £401,793 when compared to its approved revenue budget of £14,310,015.
- that the overall position for the Council on Capital is a projected outturn of £2,760,444, which is an underspend of £2,000,000 compared to the revised budget.

3. BACKGROUND / OPTIONS

- 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 2021/22 financial year and details actual expenditure incurred and income received as at 30th September 2021 and projections as to the yearend position at this time.
- 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. The net position is that the Committee will come in £157,500 underspend at yearend due to underspends in Planning, Community Projects

& Grants, Customer Services & Homelessness and a overspend in Travellers Expenditure on the site maintenance. Further detail is included in the budget monitoring report to Operational Services Committee on the 15th November 2021.

3.5 With regard to Finance & Assets Committee, the significant variances of actual spend compared to profiled budgeted spend at the end of September 2021, where no yearend variance is being reported, are detailed below:

Service	Variance £	Explanation
Corporate Management Financial Services	(£125,655) (£41,695)	These budgets have accruals from 2020/21 (including External Audit costs) that remain unpaid.
Cost of Other Elections	£236,736	This relates to payments in advance for the Mayoral Election which will be recovered from the Combined Authority.
Local Elections	(£18,244)	Rolled forward balances from a previous financial year have not yet been resolved, but are expected to be by the end of quarter three.
Office Accommodation	£13,301	Premises asset management costs will be matched by budget allocations at the end of the year from the Asset Management cost centre.
Parking of Vehicles	£8,045	The overspend is due to reduced levels of income in the first half of the year as the impact of the pandemic continued. However, the Government compensation scheme remained in place for the first quarter of 2021/22 and the Council will be making a claim against this in due course. On the positive side, there has been a reduction in rates paid, as a result of additional Covid reliefs offered by Government.
Payroll	£17,706	Additional IT License costs plus consultants in the first half of 2021/22.
Registration of Electors	(£36,651)	Roll over of income from 2020/21 to fund future work.
COVID-19	(£206,845)	This relates to ringfenced Government grants that have been received and will be either forwarded on to businesses or returned at the end of the financial year.

3.6 Explanations for the forecast yearend variances reported for this Committee are detailed in the table below:

Service	Variance £	Explanation
Civic Relations	(5,000)	There will be no civic reception this year, therefore resulting in saving.
Economic Development	(£25,000)	Occupancy levels at the e-space centres has been maintained in the first half of 2021/22, despite concerns surrounding the Covid-19 pandemic. The budget had been reduced to allow for some empty units at the sites.
Housing Benefit	(£60,960)	Up-dated figures on Housing Benefit payments in the District have shown a reduction in recent months.
Housing Strategic	(£16,000)	Underspend on staffing during the first six months of the year.
Interest and Financial Transactions	(£42,500)	Interest receipts are now expected to be higher than budgeted, mainly as the result of ECTC drawing down their full loan on the 31 st March 2021.
Land Charges Admin	(£25,000)	Increased income received during the first half of the year.
Local Plans	(£10,000)	We have negotiated a settlement of an old invoice from 2019/20. This has resulted in a saving of £10k in this financial year
Management Team	£20,000	The secondment of senior staff to the Combined Authority ended earlier than anticipated when we prepared the budget, which has resulted in reduced income in 2021/22.
Member & Committee Support	(£15,000)	Staff savings in the first half of the year due to vacancies.
Miscellaneous Finance	(£11,300)	More leisure centre capital costs were met from CIL in 2020/21 than forecast, which has resulted in reduced debt costs in the current year.
Public Conveniences	(£16,800)	There is a saving on public conveniences business rates as such properties have been deemed by Government to be zero rated moving forward.

Other Government Grants	(£50,000)	We have been given extra administration (new burden) funding this year to facilitate the Government Covid-19 business grants scheme.
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Capital

- 3.7 The Council's capital programme for 2021/22 (appendix 3) has had £461,301 slippage from 2020/21 applied. The Council has further been awarded £608,471 of disability facilities grant in 2021/22, this is £81,894 more than expected when the budget was set. This has been added to the budget as additional funding.
- 3.8 The revised capital programme for the Council is therefore £4,760,444. The current forecast for spend against this programme is £2,760,444, an underspend of £2,000,000 this in relation to Waste vehicles. While we await final details of the Government's Waste Strategy, capital spending on Waste vehicles has been delayed, and with lead times between order and receipt of such vehicles around twelve months, it is now highly unlikely that any of the Waste vehicles capital budget will be spent in 2021/22.

4 ARGUMENTS / CONCLUSIONS

- 4.1 The projected net revenue expenditure for the Council is forecast to be £13,958,222 in 2021/22, before Funding. Once Funding is taken into account, this results in a forecast underspend of £401,793 compared to the Council's approved budget.
- 4.2 The projected Capital Outturn for the Council stands at £2,760,444. This is an underspend of £2,000,000 when compared to the revised budget.

5 FINANCIAL IMPLICATIONS / EQUALITY AND CARBON IMPACT ASSESSMENTS

- 5.1 There is a revenue underspend of £401,793 compared to this Council's approved budget, all things being equal, this will be moved into the Surplus Savings Reserve at yearend and provide additional budget support in future years.
- 5.2 Equality Impact Assessment (INRA) not required.
- 5.3 Carbon Impact Assessment (CIA) not required.

6 APPENDICES

- Appendix 1 – Summary Budget Monitoring – September 2021
- Appendix 2 – Operational Services Budget Monitoring – September 2021
- Appendix 3 – Capital Budget Monitoring – September 2021
- Appendix 4 – Reserve Balances – September 2021

<u>Background Documents</u>	<u>Location</u>	<u>Contact Officer</u>
Council Budget as approved by Council on the 23 rd February 2021	Room 104 The Grange Ely	Ian Smith Finance Manager Tel: (01353) 616470 E-mail: ian.smith@eastcambs.gov.uk