

**TITLE: BUDGET MONITORING REPORT**

Committee: Operational Services Committee

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Report No: Y10

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**1.0 ISSUE**

1.1 This report provides Members with details of the financial position for services under the Operational Services Committee.

**2.0 RECOMMENDATION(S)**

2.1 Members are requested to note that the 2022/23 revenue overspend on Operational Services Committee was £742,047. This when compared to its approved budget of £5,818,175.

2.2 Members are further requested to note that the Committee has a capital programme outturn of £995,721. This is an underspend of £2,710,130 when compared to its revised Capital budget.

**3.0 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.

3.2. This is the final report for Operational Services Committee for the 2022/23 financial year and details the yearend position incorporating actual expenditure incurred, income received and accruals as at 31<sup>st</sup> March 2023.

**Revenue**

3.3. The net revenue expenditure for this Committee at yearend was £6,560,222. This reflects a £742,047 overspend when compared to the approved budget. This is the combination of variations on service lines.

3.4. The revenue budget and net expenditure for each service that falls under the stewardship of this Committee are detailed in appendix 1.

3.5. Explanations for the yearend variances reported for this Committee are detailed in the table below:

<b>Service</b>	<b>Outturn Variance £</b>	<b>Explanation</b>
Building Regulations	£11,839	A number of factors are attributable to the £12,000 overspend - The cost of living rises meant individual homeowners put a freeze on their building work and the significant increase in material costs meant developers also slowed or postponed work. However, in the last quarter the predicted overspend in quarter three was reduced because of a number of large projects that started in early 2023.
Community Projects & Grants	(£47,387)	Despite the Council's best efforts to promote and encourage applications for its Facilities Improvement Grant, demand for this grant remained low throughout the year
Customer Services	(£60,380)	The underspend is due mostly to vacancies within the Team during the year, but was further increased as some staff time / costs have been recharged against Government funding in support of the housing of Ukrainian residents in East Cambs.
Environmental Issues Health- Admin & Miscellaneous	(£30,680) £57,159	Grants from 2022/23 have been used to fund a post in Environmental Health.  Costs and workload within Environmental crime have increased and forced the creation of an additional post.
Homelessness	(£70,718)	There have been vacancies in the Housing Team during the year, with the underspend being further increased as some staff / costs have been recharged to the Government grant in relation to Ukrainian people settling in East Cambs.
IT	£84,846	Inflation has increased many software licences and hardware costs by 15 to 20%.

Leisure Centre	£191,306	The management fee received from the Leisure Centre operator GLL was lower than that budgeted due to increased energy costs and the continuing impact of Covid-19 on certain membership types.
Marketing and Grants	(£16,940)	The Council has been waiting a Government decision regarding the Shared Prosperity Fund which could impact on marketing strategy. As this did not happen, this budget was underspent.
Performance	(£10,400)	The performance leaflet previously circulated to all households in the District was not produced. The budget for this has been deleted moving forward.
Planning	£176,408	During 2022/23 there were a high number of complex planning applications received, this meant that staff vacancies had to be covered by agency staff and consultants at an additional cost. Income targets were achieved over the course of the year; however, they did drop in the final quarter, which wasn't reflected in the previous yearend forecast.
Refuse Collection	£467,015	In line with agenda item 16 at Full Council on the 21 <sup>st</sup> February 2023, the Management fee payable to ECSS was increased by £470,433 to reflect the additional costs incurred by the Company in relation to the so called "cost of living crisis".

### Capital

- 3.6. The revised capital budget for Operational Services Committee was £3,705,851; including £214,764 of slippage brought forward from 2021/22.
- 3.7. The main yearend variation was in relation to Waste vehicles, where procurement was delayed as the Council waited for the Government to announce its long term Waste Strategy.
- 3.8. The cost of vehicles purchased is higher this year than budgeted as ECTC, parks and gardens team, have replaced a number of their vehicles. The cost of these were initially met from Section 106 contributions, with the Council benefiting from the hire charge it makes to ECTC for the vehicles' use over their useful life.

- 3.9. Spend on Disability Facilities, is underspent as an on-going consequence of the Covid-19 pandemic over the past three years. Much work was delayed during the time of restrictions, when it wasn't possible to enter the homes of potential recipients.
- 3.10. £572,961 of CIL receipts received in 2022/23 have been used as funding towards the historic cost of the Leisure Centre, therefore reducing the borrowing on this project.

#### **4.0 ARGUMENTS/CONCLUSION(S)**

- 4.1. The final outturn position is that the Operational Services Committee's net revenue spending is an overspend of £742,047 when compared to its approved budget for the 2022/23 financial year.

#### **5.0 FINANCIAL IMPLICATIONS / EQUALITY IMPACT STATEMENT / CARBON IMPACT ASSESSMENT**

- 5.1. There are no additional financial implications arising from this report, other than those detailed above.
- 5.2. An Equality Impact Assessment (EIA) is not required.
- 5.3. A Carbon Impact Assessment (CIA) is not required.

#### **6.0 APPENDICES**

- 6.1 Appendix 1 – Revenue budget outturn report – 31<sup>st</sup> March 2023.
- 6.2 Appendix 2 – Capital budget outturn report – 31<sup>st</sup> March 2023

#### **Background Documents:**

Budget Monitoring Report Preparation Documents