

TITLE: BUDGET MONITORING REPORT

Committee: Operational Services Committee

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Report No: Y84

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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 Committee is currently projecting a £407,000 yearend overspend on revenue, when compared to its approved budget of £6,968,362.

2.2 Members are further requested to note that the Committee has a projected capital programme outturn of £3,747,641. This is an underspend of £1,890,172 when compared to its revised 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.

3.1. This is the second quarterly report for the 2023/24 financial year and details actual expenditure incurred and income received as of 30th September 2023 and the current projection as to the year-end position.

Revenue

3.2. The revenue budget for each service that falls under the stewardship of this Committee has been reviewed with appendix 1 detailing the current variance and forecast outturn for each service line.

3.3. The significant variances of actual spend compared to profiled budgeted spend at the end of September, where no variance is forecast for yearend, are detailed in the table on the next page:

| Service | Variance £ | Explanation |
|-------------------------------------|-------------------|---|
| Community Infrastructure Levy (CIL) | (£2,811,813) | CIL transactions are treated as a revenue income or expense during the year, but any balance on the account at yearend is transferred to reserve. |
| Community Projects & Grants | £12,712 | Section 106 expenditure will be reconciled at the end of the financial year. |
| Health – Admin & Misc. | (£186,957) | External grants were rolled forward into 2023/24. These remain unspent at the current time. |
| Licensing | (£98,472) | Income has been received from two taxi companies in relation to three-year licences, some of this will be rolled forward at yearend, so it is accounted for in line with the length of the licence. |
| Marketing and Grants | (£22,644) | Grants available for town councils have not yet been requested. |
| Tree Preservation | £18,042 | Section 106 expenditure will be reconciled at the end of the financial year. |

- 3.4. The net revenue expenditure for this Committee at yearend is forecast to be £7,375,362. This reflects a forecast £407,000 overspend when compared to the approved budget. This is the combination of six forecast variations on service lines, as detailed in the table below.

| Service | Forecast Outturn Variance £ | Explanation |
|----------------------|------------------------------------|---|
| Building Control | £15,000 | This is a consequence of reduced building regulation income in the first six months of the year. |
| Customer Services | (£5,000) | The underspend reflects vacancies in the Team during the first six months of 2023/24. |
| Environmental Issues | £32,000 | This represents our share of the expected costs to procure a new Materials Recycling Facility (MRF) contract from September 2024. |

| | | |
|--------------------------------------|-----------|--|
| Homelessness | (£50,000) | External grants from DLUHC and CCC has been both rolled forward and received in 2023/24. Because of this funding, there is an expectation that staff will be diverted to work on these projects causing an underspend in the main staffing budget. |
| Planning | £400,000 | Quarter two showed very weak fee income, again due to the slowdown in the housing market and the unwillingness of housebuilders, particularly small to medium size firms, to bring forward plans for new housing. This means we receive less large fee-paying planning applications which we rely on for the bulk of our fee income. We are still busy with a large volume of small applications, but the individual fees are small. There has also been a drop off in the number of applications for house extensions which is again as a result of the difficulty households are having in accessing finance. We are managing a large backlog of major applications and trying to secure additional income through the use of Planning Performance Agreements outside normal fee income as part of a strategy to progress these stalled projects. This together with some anticipated major applications being submitted within the next few months may mean that fee income increases in the coming months. |
| Travellers | £15,000 | Rental income is down against the budget. This will be reviewed when the budget is set for 2024/25. |
| Refuse Recycling / Refuse Collection | £0 | ECSS is currently forecasting an overspend of £47,000, this at the end of the first quarter. They have been asked to find mitigating actions to come in on budget at year end. |

3.5 It should be noted that the Local Government pay award (from 1st April 2023), has not yet been agreed, but is now expected to be higher than the 4% built into the

budget in February 2023. Until a final agreement is in place, the additional cost is being shown as a separate line on the Finance and Assets report.

Capital

- 3.5. The revised capital budget for Operational Services stands at £5,637,813; including £956,307 of slippage brought forward from 2022/23 and a reduction of £5,793 on Disability Facilities Grant spend, where the capital element of the grant received from the County Council is lower than predicted in the budget.
- 3.7 The forecast outturn position for Committee is £3,747,641, an underspend of £1,890,172. The main elements of the underspend are in relation to:
- The purchase of Waste vehicles where the price agreed for the ten refuse collection vehicles is lower than that included in the budget. See report to Committee on the 27th March 2023. While this underspend is reported at this point, there remains the potential that some of this may be utilised following a review of small fleet requirements within ECSS.
 - The purchase of Waste bins, which was built into the budget as a contingency if the Government's Strategic Waste Review progressed, but this will not now happen in 2023/24.

4.0 ARGUMENTS/CONCLUSION(S)

- 4.1. The current forecast is that the Committee's net revenue position will be an overspend of £407,000 at the end of the 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 (INRA) is not required.
- 5.3. A Carbon Impact Assessment (CIA) is not required.

6.0 APPENDICES

- 6.1. Appendix 1 – Revenue budget monitoring report – 30th September 2023.
- 6.2. Appendix 2 – Capital budget monitoring report – 30th September 2023.

Background Documents:

Council Budget approved by Full Council on the 21st February 2023