

TITLE: FINANCE REPORT

Committee: Finance & Assets Committee

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Report No: Y116

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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 £1,187,500 when compared to its approved revenue budget of £6,030,783.
- that overall the Council has a projected yearend underspend of £ 852,000 when compared to its approved revenue budget of £16,856,960.
- that the overall position for the Council on Capital is a projected outturn of £4,838,121, which is an underspend of £1,862,666 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 third report for the 2023/24 financial year and details actual expenditure incurred and income received as at 31st December 2023 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 five forecast yearend variances being reported at this time, with the net position being that the Committee is forecast to come in £547,000 overspent at yearend when compared to its net budget. The main factor leading to this is a £500,000 overspend on Planning where income levels are significantly lower than the level anticipated when the budget was built. Further details are included in the Budget Monitoring Report to be presented to Operational Services Committee on the 31st January 2024.

3.5 With regard to the Finance & Assets Committee, the significant variances of actual spend compared to profiled budgeted spend at the end of December 2023, where no variance is forecast for yearend, are detailed below:

Service	Variance £	Explanation
Asset Management	(£25,645)	This additional income relates to an easement granted for a property in Soham.
Cost of other Elections	(£37,337)	Rollover of income from external elections in previous years, will be refunded or put in reserve during 2023/24.
Local Plans	(£73,315)	Income from DLUHC in relation to Neighbourhood Plans was rolled forward and will be spent in 2023/24.
Parks & Gardens	£52,337	Expenditure will be funded from Section 106 grant at the end of the year.
Registration of Electors	(£36,939)	Rollover of grant income from 2022/23 will be used to fund work in the current year.

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

Service	Variance £	Explanation
Corporate Management	(£50,000)	The 2022/23 external Audit is now expected to be less substantive than in previous years, therefore we expect the cost charged to be reduced.
Crematorium	£7,500	Expenditure has been incurred in this financial year moving the project forward to final business case

Economic Development	(£88,000)	Occupancy rates at the e-Space Centres in the first three quarters of the year were in advance of the level projected in the budget.
General Gang	(£30,000)	This results from a staff vacancy in the first nine months of the year.
Housing Benefits	(£5,000)	Because of timing issues, the 2023/24 budget for housing benefits reflects 2022/23 expenditure. 2023/24 spend information has now been calculated and the updated figures used to determine the forecast yearend position.
Housing Strategic	(£150,000)	This reflects staff savings in the first nine months of the year
HR	(£10,000)	The majority of the in-house training costs have been covered by other sources of funding, therefore there is an underspend on the budget.
Interest & Financial Transactions	(£800,000)	The Council is benefiting from improved interest rates on its treasury investments leading to higher receipts than budgeted.
Land Charges Admin	£25,000	The loss of income for LLC1 searches and a reduction in local Land Search fees overall has results in reduced income this year.
Legal	(£46,000)	Vacancies in the Legal Team have resulted in a saving on salaries this year.
Member & Committee Support	(£60,000)	This reflects vacancies within the department during the first nine months of the year.
Miscellaneous Properties	£28,000	Additional costs have been incurred and a reduction in rental income received while properties in Market Street were unoccupied.
Office Accommodation	(£29,000)	Business Rate relief has been received for the Grange resulting in this underspend.

Parking of Vehicles	£20,000	Car parking income collected is slowly getting back towards pre-covid levels but is still lower than had been forecast for the year to date.
Public Conveniences	£15,000	A requirement for increased standards of cleanliness since Covid have meant we have had to clean the toilets more frequently.
Reprographics	(£15,000)	Income has increased over the first nine months of the year.
Internal Drainage Board	(£61,500)	Additional Government support grant has been provided in 2023/24.
Business Rates	(£150,000)	We have two new solar farms in the district. The District Council retains 100% of Business Rates on Renewable Energy facilities resulting in this income being in advance of budget.

Capital

- 3.7 The Council's revised capital budget stands at £7,800,787; including £1,237,281 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.
- 3.8 The outturn position is forecast to be £4,838,121, an underspend of £1,862,666. The current forecast underspend relates to three projects:
- The purchase of Waste vehicles where the price agreed for the ten refuse collection vehicles is lower than that originally expected. See report to Operational Services Committee on the 27th March 2023. While this underspend is reported at this point, there remains the potential that some of it may be utilised following a review of small fleet requirements within ECSS.
 - The contingency budget set up for the purchase of new Waste bins, will not now be spent in 2023/24.
 - ECTC have provided a revised cashflow forecast which details that they will only be requiring to borrow £200,000 in this financial year as opposed to the revised budget of £1.3m.

4.0 TREASURY MANAGEMENT

- 4.1 Under revised Treasury Management requirements, as detailed in the CIPFA (Chartered Institute of Public Finance and Accountancy) Code of Practice for Treasury Management 2021, councils are now required to report their treasury

management activity on a quarterly basis. While the Strategy, mid-year review and Yearend reports still need to go to Full Council, the reports at the end of quarter one and three only need to go to Committee. These reports are therefore included as part of this Finance Report at the end of these quarters.

- 4.2 The full treasury management up-date report is included as appendix 5, which details that the Council had cash holdings of £35,738,031 at the end of December 2023 and had received interest income during the first three quarters of £1,210,028. This being in excess of that forecast in the budget, due mainly to interest rates rising further than forecast when the budget was prepared. As detailed above the current forecast is for interest receipts to be £800,000 above budget at yearend.
- 4.3 To note, the economic up-date in the report reflects the position at the end of 31 December 2023.

5.0 ARGUMENTS/CONCLUSION(S)

- 5.1 The projected net revenue expenditure for the Council is forecast to be a £852,000 underspend compared to the Council's approved budget. This will be moved to the Surplus Savings Reserve at yearend.

6.0 FINANCIAL IMPLICATIONS / EQUALITY IMPACT STATEMENT / CARBON IMPACT ASSESSMENT

- 6.1 There is a revenue underspend compared to this Council's approved budget, therefore all things being equal, this will be transferred to the Surplus Savings Reserve at year-end.
- 6.2 Equality Impact Assessment (EIA) is not required.
- 6.3 Carbon Impact Assessment (CIA) is not required.

7.0 APPENDICES

Appendix 1 – Summary Budget Monitoring Report – 31st December 2023

Appendix 2 – Operational Services Budget Monitoring Report – 31st December 2023

Appendix 3 – Capital Budget Monitoring Report – 31st December 2023

Appendix 4 – Reserve Balances – 31st December 2023

Appendix 5 – Treasury Management update – 31st December 2023

Background Documents:

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