
FINANCE REPORT

Committee: Finance & Assets Committee

Date: 23rd June 2022

Author: Finance Manager

[X22]

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 yearend underspend of £729,692 when compared to its approved revenue budget of £5,517,542.
- that overall the Council has a yearend underspend of £2,367,039 when compared to its approved revenue budget of £14,310,015.
- that the overall position for the Council on Capital is an outturn of £480,750, which is an underspend of £4,279,694 compared to the revised budget.

3. **BACKGROUND / OPTIONS**

- 3.1 Under Financial Regulations, each policy committee is required to consider 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 final report for the 2021/22 financial year and details actual expenditure incurred and income received as at 31st March 2022 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 Operational Services Committee is shown in appendix 2. The net position for Operational Services Committee is a £321,636 underspend. There are underspends in Planning, Community Projects & Grants, Customer Services, Health – Admin & Misc., Homelessness, Marketing & Grants, Performance Management and Public Relations; with overspends on

Travellers, Environment issues and ICT. Further detail will be included in the budget monitoring report to Operational Services Committee at their next meeting.

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

Service	Variance £	Explanation
Civic Relations	(£7,454)	There was no civic reception this year, therefore a saving has been made on this budget.
Corporate Management	(£34,970)	The inflation contingency built into the budget wasn't needed in 2021/22.
Council Tax Accounting	(£18,061)	More Government Grant was received than forecast at the start of the year.
Crematorium	£63,865	Unbudgeted expenditure moving forward the Crematorium project to a position that Council can consider making a decision whether to go ahead with the capital build.
Depot Services	£13,180	Work was undertaken following the Gwan Associates report to the fire cladding around the steel beams at Portley Hill Depot, causing this budget to overspend.
Economic Development	(£123,024)	Occupancy levels at the e-Space centres was maintained during 2021/22. The budget was reduced on the assumption that Covid-19 would result in empty units at the sites, however this proved not to be the case and rentals levels have therefore exceeded the budget. There have also been staff savings on the budget due to two posts remaining unfilled for the majority of the year.
Financial Services	(£25,501)	More closedown work has been undertaken by internal staff, creating savings on the external consultants' budget.
General Gang	(£37,593)	Vacancies in this team have led to this underspend

Housing Benefit	(£37,118)	Up-dated figures on Housing Benefit payments in the District have shown a reduction in payments being made.
Housing Strategic	(£165,249)	Underspend on staffing and consultants costs.
HR	£13,216	Solicitors costs as a consequence of legal cases surrounding employee disciplinary cases.
Interest and Financial Transactions	(£53,632)	Interest receipts were higher than budgeted, as the result of ECTC drawing down their full loan on the 31 st March 2021.
Land Charges Admin	(£45,512)	An increased level of income has been received and to a lesser extent expenditure incurred due to the upturn in house sales during the year.
Legal	(£22,952)	There has been a saving on staff costs in this financial year due to delays in replacing staff, while there has also been an increase in chargeable work.
Management Team	£59,738	The secondment of senior staff to the Cambridgeshire and Peterborough Combined Authority ended earlier than anticipated when we prepared the budget, which has resulted in reduced income. We also invested in training for senior management.
Member & Committee Support	(£38,409)	This relates to a saving on the salary budget due to vacancies during the year.
Miscellaneous Finance	(£83,379)	More leisure centre capital costs were met from CIL in 2020/21 than forecast, which, resulted in reduced debt costs in 2021/22 and the charge to ECTC for plant and equipment hire was higher than budgeted.
Parking of Vehicles	(£27,767)	Parking income was significantly reduced because of Covid-19, although some of this was recovered via the Government compensation scheme and the overall underspend has resulted from temporary Business Rate reliefs (again due to Covid-19) and reduced maintenance costs.

Park & Gardens Team	£56,550	This relates to repair costs on the Council's open spaces and the cost of the trees officer who was transferred to the parks and gardens team in year.
Payroll	£12,742	Payments for additional licences plus overtime costs.
Public Conveniences	£33,056	There has been an increased amount of external cleaning staff (deep cleans), staff overtime and cleaning products used in maintaining safety during the Covid-19 pandemic.
Registration of Electors	(£17,343)	Reduced amounts of postage, stationery and the use of canvassers have resulted in an underspend in this budget.
Reprographics	(£27,715)	This reflects an increase in external income for over the past financial year.
Sport & Recreation	(£37,452)	No Grants were awarded this year
COVID-19	(£166,802)	We received more un-ringfenced Covid-19 related funding from Government than was needed.
Movement in Corporate Reserves	(£121,395)	This relates to reducing the balance in the Affordable Housing reserve as agreed in the budget papers.
Other Government Grants	(£209,836)	We have been awarded new burden administration grant to "pay" us for facilitating the Government's Covid-19 business grants scheme. We were able to undertake this work from within the core budget.
Council Tax	(£28,176)	Government have provided councils compensation grant to cover losses in their Council Tax Collection Funds.
Business Rates	(£959,571)	In the same way as for Council Tax, Government have provided councils with compensation grants for losses on the Business Rates Collection Fund. The Council also benefited from additional Section 31 grant than budgeted and benefited from an improved position compared to the prudent budget position for the Cambridgeshire Pool.

Capital

- 3.6 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. The revised capital programme for the Council is therefore £4,760,444.
- 3.7 Spend against the Capital programme in the year was £480,750, an underspend of £4,279,694. There was slippage on a number of the capital schemes:
- Waste Vehicles; spending on Waste vehicles has been delayed while we await final details of the Government's Waste Strategy. No expenditure was therefore incurred in 2021/22.
 - Depot; the depot refurbishment has been delayed while proposals for the scheme were reassessed, a revised proposal has now been approved at Finance and Assets Committee and the work will be undertaken during 2022/23.
 - Disability Facilities Grant; spending in this area has been much reduced as a consequence of the Covid-19 pandemic over the past twenty-one months, as the ability to get work done during times of restrictions has been limited.

4 ARGUMENTS / CONCLUSIONS

- 4.1 The net revenue expenditure for the Council is £13,140,559 in 2021/22, before Funding. Once Funding is taken into account, this results in an underspend of £2,367,039 when compared to the Council's approved budget.
- 4.2 The Capital Outturn for the Council stands at £480,750. This is an underspend of £4,279,694 when compared to the revised budget.

5 FINANCIAL IMPLICATIONS / EQUALITY AND CARBON IMPACT ASSESSMENTS

- 5.1 There is a revenue underspend of £2,367,039 compared to this Council's approved budget, this has been moved into the Surplus Savings Reserve and will be available to provide budget support in future years.
- 5.2 An Equality Impact Assessment (INRA) is not required.
- 5.3 A Carbon Impact Assessment (CIA) is not required.

6 APPENDICES

Appendix 1 – Summary Budget Monitoring – March 31st 2022
Appendix 2 – Operational Services Budget Monitoring – March 31st 2022
Appendix 3 – Capital Budget Monitoring – March 31st 2022

Appendix 4 – Reserve Balances – March 31st 2022

<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