

**TITLE: BUDGET MONITORING REPORT**

Committee: Operational Services Committee

Date: 16<sup>th</sup> November 2020

Author: Finance Manager

[V102]

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1. **ISSUE**

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

2. **RECOMMENDATION (S)**

2.1 Members are requested to note that this Committee is currently projected to end the year with a revenue underspend of £49,500, when compared to its planned budget, of £5,650,903.

2.2 Members are further requested to note that the Committee has a projected capital programme outturn of £1,084,486. This is an underspend of 2,655,950.

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.

3.2 This is the second quarter report for the 2020/21 financial year and details actual expenditure incurred and income received as at 30<sup>th</sup> September 2020 and current projections as to the year-end position.

3.3 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.

3.4 The significant variances of actual spend compared to profiled budgeted spend at the end of September 2020, where no variance is forecast for yearend, are detailed in the table on the next page:

<b>Service</b>	<b>Variance £</b>	<b>Explanation</b>
Homelessness	(£779,042)	There is a roll forward of unspent Government grant funding from 2019/20, plus funding of £280,000 received in advance for 2020/21. Any underspending of this grant during 2020/21 will be carried forward into future years.
Community Infrastructure Levy (CIL)	(£1,872,347)	CIL transactions are treated as a revenue income or expense, but any balance on the account at yearend will be transferred to reserve.
Community Safety	£19,236	Costs have been incurred that will be matched by Section 106 funding at yearend.
Marketing & Grants	(£10,484)	Unspent funds from 2019/20 have been rolled forward and will be spent later in the year
Travellers Sites	£27,086	Travellers' rents are in arrears due to the collection of cash not being allowed under covid restrictions. This has been addressed by moving the residents onto the Allpay method of collecting rent. An increased amount of maintenance and cleaning of the sludge tanks is also causing a cost pressure this year.

3.5 The net revenue expenditure for this Committee at yearend is forecast to be £5,601,403. This reflects a forecast £49,500 underspend when compared to the approved budget. Explanations for the forecast yearend variances which make up this balance are detailed in the table below:

<b>Service</b>	<b>Variance £</b>	<b>Explanation</b>
Building Regulations	(£10,000)	Staff savings during the first half of the financial year have been, to some degree, matched by a reduction in income over the same time period due to the Covid-19 pandemic, however there remains an expectation that a small saving will be reported at yearend.

Housing	(£22,500)	This reflects the non-use of the bed and breakfast budget during the first six months of the year, however due to these unprecedented times this figure may change if cases emerge in the coming months.
Planning	£37,000	The Planning department continues to receive a high number of applications, however a significant number of these are householders and minor applications which generate a smaller fee. There is currently an over-spend on agency workers fees this year, however, from the 1 <sup>st</sup> December one of the agency workers will join the Council on a permanent basis, having been recruited to the vacant Senior Planning Officer position. This should therefore reduce agency fees in the second half of the year.
Recycling	£18,000	The MRF (Material Recycling Facility) contract was being reviewed at the time the budget was being set and a contingency built into the budget to cover the cost of the market premium. It is now forecast that the contingency amount will not be enough to cover the additional costs.
Community Projects and Grants	(£47,000)	Saving from the decision to bring homelessness support, previously undertaken by the Rural Cambs Citizens Bureau, in-house to be funded from the Homelessness Grant provided by MHCLG.
Customer Services	(£25,000)	The apprentice post remained vacant during the first quarter of the year, as a consequence of the Covid-19 situation. Added to that there is also one CSA vacancy which remains unfilled. The situation will be addressed in the remaining part of the year.

- 3.6 The revised capital budget for this Committee stands at £3,740,436; including £311,110 of slippage brought forward from 2019/20.
- 3.7 The current forecast is that capital spending will be underspent by £2,655,950 at yearend, meaning the total expenditure for the year will be £1,084,486.

<b>Project</b>	<b>Variance £</b>	<b>Explanation</b>
Waste – Wheelie Bins	£40,000	This relates to the purchase of wheeled bins. It was originally anticipated that the purchase and distribution of these would be actioned via East Cambs Street Scene, but as these need to remain as an asset of the Council, it is now felt appropriate that the cost be charged to the Council's capital budget.
Depot	(£845,950)	Depot improvements continue to be delayed as further costings are obtained to ensure best value for money is achieved.
Waste Vehicles	(1,850,000)	The purchase of new Waste Vehicles to replace those bought previously with Government grant and now reaching the end of their economic life, has been delayed while the Council explores the possibility of Government making a further grant scheme available.

#### 4. FINANCIAL IMPLICATIONS/EQUALITY IMPACT ASSESSMENT

- 4.1 The current forecast is that the Committee's net revenue expenditure will come in £49,500 over budget at year-end.
- 4.2 An Equality Impact Assessment (INRA) is not required.
- 4.3 A Carbon Impact Assessment (CIA) is not required.

#### 5. APPENDICES

- 5.1 Appendix 1 – Revenue budget monitoring report – 30<sup>th</sup> September 2020.
- 5.2 Appendix 2 – Capital budget monitoring report – 30<sup>th</sup> September 2020

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Background Documents

Location

Contact Officer

Budget Monitoring Report  
Preparation Documents

Room 104  
The Grange  
Ely

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