

**TITLE: BUDGET MONITORING REPORT**

Committee: Operational Services Committee

Date: 18<sup>th</sup> November 2019

Author: Finance Manager

[U115]

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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 an overspend, compared to its planned budget, of £47,500.
- 2.2 Members are further requested to note that the Committee has a projected capital programme outturn of £1,557,570.

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 2019/20 financial year and details actual expenditure incurred as at 30<sup>th</sup> September 2019 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, 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>
IT	(66,020)	This is due to delays in staff recruitment and the intended implementation of IT system upgrades. The latter are expected to happen in the third quarter and will reduce the underspend currently reported.
Licencing	(£19,863)	Some taxi operators have purchased new vehicles and this has seen income growth in the first six months for both vehicles and drivers. Dog breeding income appears high, but this is due to new regulations introducing two and three years licences paid for in advance, where appropriate this income will be carried forward.
Community Infrastructure Levy (CIL)	(£2,034,338)	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	(£26,318)	An accrual at the end of 2018/19 remains unpaid.
Marketing & Grants	(£9,651)	An invoices for research into a website development remains outstanding.

- 3.5 The net revenue expenditure for this Committee at yearend is forecast to be £5,564,270. This reflects a forecast £47,500 overspend 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>
Housing	(£22,500)	The Council has not needed to hire any hotel rooms during the first half of the year, so the provision in the budget for this eventuality remains unspent and is shown as a forecast underspend.

Planning	70,000	Due to the volume and type of some of the applications received, two agency workers have been employed for the past six months to ensure the level of customer service continues and the target deadlines for dealing with applications and any subsequent appeals are achieved. This will continue to the end of this year as we expect this trend to continue.
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3.6 The revised capital budget for this Committee stands at £2,210,190; including £538,543 of slippage brought forward from 2018/19 and approved additions of £15,278.

3.7 When building the budget for 2019/20 the amount of Disabled Facilities Grant we were due to receive had not been announced by Government and so an estimated figure was included in the budget. We have now been informed and indeed received £526,577; this is £15,278 more than the estimate included in the budget.

3.8 The current forecast is that capital spending will be underspent by £652,620, meaning the total expenditure for the year is £1,557,570.

Project	Variance £	Explanation
Waste Depot	(£645,950)	Depot improvements continue to be delayed as further costings are obtained to ensure best value for money is achieved.

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

4.1 The current forecast is for the Committee's net revenue expenditure to come in £47,500 over budget.

4.2 Equality Impact Assessment (INRA) not required.

#### 5. APPENDICES

5.1 Appendix 1 – Operational Services Committee Budget Monitoring Report – 30<sup>th</sup> September 2019.

Background Documents

Budget Monitoring Report  
Preparation Documents

Location

Room 104  
The Grange  
Ely

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