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**QUARTER 1 BUDGET MONITORING REPORT**

Committee: Operational Services Committee

Date: 12<sup>th</sup> September 2022

Author: Director, Finance

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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 projecting an £140,000 underspend variance to the end of the year on revenue, when compared to its planned budget of £5,802,153.
- 2.2 Members are further requested to note that the Committee has a projected capital programme outturn of £1,789,580. This is an underspend of £1,916,271 when compared to its revised budget.

**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 first quarter report for the 2022/23 financial year and details actual expenditure incurred and income received as at 30<sup>th</sup> June 2022 and current projections as to the year-end position.

**Revenue**

- 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 June, 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>  |
|--|-------------------------|---|
| Community Infrastructure Levy (CIL)                      | (£2,228,147)            | CIL transactions are treated as a revenue income or expense during the year, but any balance on the account at yearend will be transferred to reserve |
| Community Safety   | (£24,360)               | Rolled forward income from 2021/22 (PCC & Community Safety) will be used to pay for these activities in 2022/23                                       |
| Travellers Sites   | £27,047                 | Maintenance costs have been above profile in the first quarter, but are expected to now stabilise   |
| Environmental Issues<br>Health- Admin &<br>Miscellaneous | (£12,404)<br>(£145,705) | Grants from 2021/22 rolled forward  |
| Homelessness   | (£688,387)              | Roll Forward of previous years grant  |
| Leisure Centre   | £412,954                | The invoice to GLL for the 2021/22 management fee has not yet been raised as we await VAT advice.   |
| Marketing and Grants                                     | (£18,767)               | Grants for town councils will be paid shortly   |
| Refuse Recycling   | (£17,545)               | This relates to the additional costs associated with additional bins, this will be forwarded on to ECSS during the next quarter                       |

3.5 The net revenue expenditure for this Committee at yearend is forecast to be £5,662,153. This reflects a forecast £140,000 underspend when compared to the approved budget. This is the combination of three forecast variations on the service lines, as detailed in the table below.

3.6 It should be noted that the current expectation is that the Local Government pay award, once agreed, will be higher than that built into the budget in February (2%). This additional cost will ultimately show on individual service lines and so impact this report, but for the time being until the pay award has been settled, an overall allowance is being shown on the Finance & Assets report.

| <b>Service</b>       | <b>Forecast Outturn<br/>Variance £</b> | <b>Explanation</b>   |
|----------------------|--|--|
| Building Regulations | (£25,000)                              | Increase in income due to the relaxation of the pandemic rules |

|                   |            |  |
|-------------------|------------|--|
| Planning          | (£100,000) | We have received a number of higher fee earning applications as the number of major applications have increased in the first quarter of 2022/23. |
| Customer Services | (£15,000)  | Savings due to apprentice & Web Teams vacancies in quarter one.  |

## Capital

- 3.7 The revised capital budget for Operational Services Committee stands at £3,705,851; including £214,764 of slippage brought forward from 2021/22. The slippage amount is included in this report for information, but is subject to formal approval by Finance and Assets Committee at their next meeting.
- 3.8 The main yearend forecast is in relation to Waste vehicles, while it remains highly likely that new vehicles will be purchased during 2022/23 because of the time lapse between order and delivery, it is already thought unlikely that these vehicles will be delivered and in operation before the end of March 2023.
- 3.9 The cost of vehicle purchases will be higher this year than budgeted as ECTC have replaced a number of their vehicles. The costs of these are initially met from Section 106 contributions, with the Council benefiting from the hire charge it makes to ECTC for the vehicles' use over their useful life.

## 4. FINANCIAL IMPLICATIONS / EQUALITY AND CARBON IMPACT ASSESSMENTS

- 4.1 The current forecast is that the Committee's net revenue position will be an underspend of £140,000 at the end of the financial year.
- 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> June 2022.
- 5.2 Appendix 2 – Capital budget monitoring report – 30<sup>th</sup> June 2022

Background Documents  
Budget Monitoring Report  
Preparation Documents

Location  
Room 104  
The Grange  
Ely

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