

**TITLE: BUDGET MONITORING REPORT**

Committee: Operational Services Committee

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Report No: Y42

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### **1.0 ISSUE**

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

### **2.0 RECOMMENDATION(S)**

2.1 Members are requested to note that Committee is currently projecting a £195,000 yearend overspend on revenue, when compared to its approved budget of £6,968,362.

2.2 Members are further requested to note that the Committee has a projected capital programme outturn of £4,775,147. This is an underspend of £862,666 when compared to its revised budget.

### **3.0 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.

3.1. This is the first quarter report for the 2023/24 financial year and details actual expenditure incurred and income received as at 30<sup>th</sup> June 2023 and the current projection as to the year-end position.

#### **Revenue**

3.2. 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.

3.3. 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)	(£1,434,152)	CIL transactions are treated as a revenue income or expense during the year, but any balance on the account at yearend is transferred to reserve
Health – Admin & Misc.	(£185,002)	External grant has been rolled forward into 2023/24
Homelessness	(£461,229)	External grant has been rolled forward into 2023/24
Licensing	(£52,514)	Income has been received in advance from two taxi companies. Where this relates to licence fee income for future income, this will be rolled forward at yearend.
Marketing and Grants	(£27,948)	Grants available for town councils have not yet been requested.
Street Naming & Renumbering	(£12,967)	Income is ahead of profile at this point in the year.
Travellers	£22,837	Income received will be allocated in quarter two.

3.4. The net revenue expenditure for this Committee at yearend is forecast to be £7,163,362. This reflects a forecast £195,000 overspend when compared to the approved budget. This is the combination of two forecast variations on service lines, as detailed in the table below.

3.5. It should be noted that the Local Government pay award (from 1<sup>st</sup> April 2023), has not yet been agreed, but is now expected to be higher than the 4% built into the budget in February 2023. Until a final agreement is in place, the additional cost is being shown as a separate line on the Finance and Assets report.

<b>Service</b>	<b>Forecast Outturn Variance £</b>	<b>Explanation</b>
Customer Services	(£5,000)	The underspend reflects vacancies in the Team in the first quarter of the year.
Planning	£200,000	The slowdown in the housing market caused by rising interest rates, lower transactions and more difficulty for home buyers to secure finance, have resulted in less planning applications for housing, particularly small to medium size

		<p>schemes, which has impact on fee income.</p> <p>For larger scale developments, which are by their very nature submitted irregularly, if the slowdown in the housing market continues, we are also likely to see a fee income deficit for these in the coming months. However, if we receive a few larger major applications (the applications that attract the largest fees) and/or fee levels are increased by the Government, as is anticipated later this year, then we may see a recovery in quarters three and four.</p> <p>A review of the Planning Service is planned to begin in quarter two to identify opportunities for cost control and efficiencies to mitigate income deficits and improve service delivery.</p>
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## Capital

- 3.6. The revised capital budget for Operational Services stands at £5,637,813; including £956,307 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.
- 3.7 The resultant capital programme for the Committee is £5,637,813, with the outturn position forecast to be £4,775,147, an underspend of £862,666. The underspend is in relation to the purchase of Waste vehicles where the price agreed for the ten refuse collection vehicles is lower than that included in the budget. See report to Committee on the 27<sup>th</sup> March 2023. While this underspend is reported at this point, there remains the potential that some of this may be utilised following a review of small fleet requirements within ECSS.

## 4.0 ARGUMENTS/CONCLUSION(S)

- 4.1. The current forecast is that the Committee's net revenue position will be an overspend of £195,000 at the end of the financial year.

## 5.0 FINANCIAL IMPLICATIONS / EQUALITY IMPACT STATEMENT / CARBON IMPACT ASSESSMENT

- 5.1. There are no additional financial implications arising from this report other than those detailed above.
- 5.2. An equality Impact Assessment (INRA) is not required.
- 5.3. A Carbon Impact Assessment (CIA) is not required.

## **6.0 APPENDICES**

- 6.1. Appendix 1 – Revenue budget monitoring report – 30<sup>th</sup> June 2023.
- 6.2. Appendix 2 – Capital budget monitoring report – 30<sup>th</sup> June 2023.

### Background Documents:

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