

TITLE: FINANCE REPORT

Committee: Finance & Assets Committee

Date: 24th January 2022

Author: Finance Manager

[W139]

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 projected yearend underspend of £304,600 when compared to its approved revenue budget of £5,517,792.
- that overall the Council has a projected yearend underspend of £533,833 when compared to its approved revenue budget of £14,310,015.
- that the overall position for the Council on Capital is a projected outturn of £1,279,944, which is an underspend of £3,480,500 compared to the 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, with this Committee further considering the overall Council position.

3.2 This is the third report for the 2021/22 financial year and details actual expenditure incurred and income received as at 31st December 2021 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 the Operational Services Committee is shown in Appendix 2. The net position is that the Committee will come in

£182,500 underspend at yearend due to underspends in Planning, Community Projects & Grants, Customer Services & Homelessness. There are overspends on Travellers and ICT. Further detail will be included in the budget monitoring report to Operational Services Committee on the 21st March 2022.

- 3.5 With regard to Finance & Assets Committee, the significant variances of actual spend compared to profiled budgeted spend at the end of December 2021, where no yearend variance is being reported, are detailed below:

Service	Variance £	Explanation
Corporate Management	(£17,327)	This budget has accruals from 2020/21 that remain unpaid (mainly External Audit costs).
Cost of Other Elections	(£41,216)	This relates to costs and income for running the Police and Crime Commissioner election, this will be subject to a full reconciliation process before yearend.
Parks & Open Spaces	£29,842	Recharge of costs against S106 receipts will be done at the end of this financial year.
Registration of Electors	(£39,133)	Roll over of income from 2020/21 to fund future work.
COVID-19	(£188,218)	This relates to ringfenced Government grants that have been received and will be either forwarded on to businesses or returned to Government.

- 3.6 Explanations for the forecast yearend variances reported for this Committee are detailed in the table below:

Service	Variance £	Explanation
Civic Relations	(5,000)	There will be no civic reception this year, therefore resulting in saving.
Economic Development	(£60,000)	Occupancy levels at the e-space centres has been maintained in the first nine months of 2021/22, despite concerns surrounding the Covid-19 pandemic. The budget was reduced to allow for empty units at the sites, however this proved not to be the case, and rentals levels have therefore exceeded the budget.

Housing Benefit	(£67,000)	Up-dated figures on Housing Benefit payments in the District have shown a reduction in payments being made.
Housing Strategic	(£16,000)	Underspend on staffing during the first nine months of the year.
Interest and Financial Transactions	(£42,500)	Interest receipts are now expected to be higher than budgeted, mainly as the result of ECTC drawing down their full loan on the 31 st March 2021.
Land Charges Admin	(£30,000)	An increased level of income has been received during the first nine months of the year.
Local Plans	(£10,000)	We negotiated a settlement of an old invoice from 2019/20, thus resulting in a saving in this financial year.
Management Team	£20,000	The secondment of senior staff to the Combined Authority ended earlier than anticipated when we prepared the budget, which has resulted in reduced income in 2021/22.
Member & Committee Support	(£40,000)	Savings on the salary budget due to vacancies and on the members ICT budget.
Miscellaneous Finance	(£11,300)	More leisure centre capital costs were met from CIL in 2020/21 than forecast, which has resulted in reduced debt costs in the current year.
Parking of Vehicles	£20,000	Parking income over the first nine months has been significantly reduced because of Covid-19, although the overspend has been reduced by a reduction in rates and reduced maintenance costs.
Public Conveniences	(£16,800)	There is a saving on public conveniences business rates as such properties have been deemed by Government to be zero rated moving forward.
Reprographics	(£10,000)	This reflects an increase in income for Reprographics services for the first three quarters of the year.

Other Government Grants	(£50,000)	We have been given extra administration (new burden) funding this year to facilitate the Government Covid-19 business grants scheme.
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Capital

- 3.7 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.
- 3.8 The current forecast for spend against the Capital programme is £1,279,944, an underspend of £3,480,500. There has been 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, and with lead times between order and receipt of such vehicles around twelve months, none of the Waste vehicles capital budget will now be spent in 2021/22.
 - Depot; the depot refurbishment has been delayed while proposals for the scheme have been reassessed, but it now expected that a revised proposal will come to Finance and Assets Committee at its March meeting.
 - 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 projected net revenue expenditure for the Council is forecast to be £13,826,182 in 2021/22, before Funding. Once Funding is taken into account, this results in a forecast underspend of £533,833 when compared to the Council's approved budget.
- 4.2 The projected Capital Outturn for the Council stands at £1,279,944. This is an underspend of £3,480,500 when compared to the revised budget.

5 FINANCIAL IMPLICATIONS / EQUALITY AND CARBON IMPACT ASSESSMENTS

- 5.1 There is a revenue underspend of £533,833 compared to this Council's approved budget, all things being equal, this will be moved into the Surplus Savings Reserve at yearend and provide additional 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

- 6.1 Appendix 1 – Summary Budget Monitoring – December 2021
Appendix 2 – Operational Services Budget Monitoring – December 2021
Appendix 3 – Capital Budget Monitoring – December 2021
Appendix 4 – Reserve Balances – December 2021

<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

FINANCE & ASSETS COMMITTEE BUDGET MONITORING REPORT - 31st December 2021							
	Total Budget 2021-22	Profiled Budget to 31 December 2021	Actual to 31 December 2021	Variance	Projected Outturn	Variance between Total Budget & Projected Outturn	Last Qtr Variance between Total Budget & Projected Outturn
Revenue	£		£	£	£	£	£
Asset Management	141,918	--	(6,910)	6,910	141,918	--	--
Award Ditches	9,006	6,755	4,967	(1,788)	9,006	--	--
Civic Relations	22,542	16,910	11,287	(5,623)	17,542	(5,000)	(5,000)
Closed Churchyards	29,668	22,251	26,375	4,124	29,668	--	--
Community Safety	--	--	--	--	--	--	--
Community Transport	15,000	--	--	--	15,000	--	--
Corporate Management	274,503	(15,620)	(32,947)	(17,327)	274,503	--	--
Cost of Other Elections	--	--	(41,216)	(41,216)	--	--	--
Council Tax Accounting	423,191	310,977	302,675	(8,302)	423,191	--	--
Crematorium	--	--	35,557	35,557	--	--	--
Data Management	100,992	75,746	70,502	(5,244)	100,992	--	--
Depot Services	(66,300)	38,275	38,249	(26)	(66,300)	--	--
Economic Development	31,649	20,724	(77,028)	(97,752)	(28,351)	(60,000)	(25,000)
Financial Services	347,842	252,806	200,063	(52,743)	327,842	(20,000)	--
General Gang	82,556	62,143	62,143	--	82,556	--	--
Health & Safety (Work)	22,566	8,000	8,000	--	22,566	--	--
Housing Benefits	336,367	252,275	524,164	271,889	269,367	(67,000)	(60,960)
Housing Strategic	229,737	269,803	154,416	(115,387)	213,737	(16,000)	(16,000)
Human Resources	209,337	176,525	186,874	10,349	203,337	(6,000)	--
Interest & Financial Transactions	(31,859)	(26,546)	(53,387)	(26,841)	(74,359)	(42,500)	(42,500)
Internal Audit	72,822	35,444	34,411	(1,033)	72,822	--	--
Land Charges Admin	(41,268)	(30,401)	(95,904)	(65,503)	(71,268)	(30,000)	(15,000)
Legal	240,531	172,497	168,923	(3,574)	230,531	(10,000)	--
Local Elections	22,500	--	--	--	22,500	--	--
Local Plans	95,000	71,250	(10,028)	(81,278)	85,000	(10,000)	(10,000)
Management Team	364,685	268,599	279,396	10,797	384,685	20,000	20,000
Member & Committee Support	531,290	398,690	366,242	(32,448)	491,290	(40,000)	(15,000)
Miscellaneous Properties	(45,157)	(33,582)	(35,305)	(1,723)	(45,157)	--	--
Miscellaneous Finance	761,012	669,043	558,321	(110,722)	749,712	(11,300)	(11,300)
Museums - Old Gaol House	--	182	964	782	--	--	--
NNDR Collection Costs	45,170	109,657	103,298	(6,359)	45,170	--	--
Office Accommodation	354,203	307,953	315,864	7,911	354,203	--	--
Oliver Cromwell House	--	--	--	--	--	--	--
Out Of Hours call out Service	12,000	9,000	6,019	(2,981)	12,000	--	--
Parking Of Vehicles	64,131	92,105	120,060	27,955	84,131	20,000	--
Parks And Gardens Team	334,862	288,722	318,564	29,842	334,862	--	--
Payroll	70,665	52,879	62,120	9,241	70,665	--	--
Public Conveniences	154,013	121,717	132,122	10,405	137,213	(16,800)	(16,800)
Refuse Collection	--	--	--	--	--	--	--
Registration of Electors	53,371	35,240	(3,893)	(39,133)	53,371	--	--
Reprographics	116,170	88,033	66,498	(21,535)	106,170	(10,000)	--
Sport & Recreation	133,077	72,404	74,330	1,926	133,077	--	--
Covid 19	--	--	(181,277)	(181,277)	--	--	--
Finance & Assets Committee Total	5,517,792	4,200,456	3,694,509	(492,127)	5,213,192	(304,600)	(197,560)
Operational Services Committee	5,558,994	4,286,505	(455,887)	(4,742,392)	5,376,494	(182,500)	(157,500)
Other Spend							
Parish Precepts	2,521,330	2,521,330	2,521,330	--	2,521,330	--	--
Internal Drainage Boards	512,018	512,018	515,285	3,267	515,285	3,267	3,267
Movement in Corporate Reserves	199,881	--	--	--	199,881	--	--
Revenue Budget Total	14,310,015	11,520,309	6,275,237	(5,231,252)	13,826,182	(483,833)	(23,100)
Funding							
Council Tax	(6,805,967)	--	--	--	(6,805,967)	--	--
Revenue Support Grant	(11,829)	(8,467)	(4,144)	4,323	(11,829)	--	--
Business Rates	(4,140,702)	(114,000)	(58,303)	55,697	(4,140,702)	--	--
Other Government Grants (NHB / RSG etc.)	(1,278,869)	(1,074,969)	(1,302,804)	(227,835)	(1,328,869)	(50,000)	(50,000)
Budgeted draw from Surplus Savings Reserve	(2,072,648)	--	--	--	(2,072,648)	--	--
	(14,310,015)	(1,197,436)	(1,365,251)	(167,815)	(14,360,015)	(50,000)	(50,000)
Revenue Total	--	10,322,873	4,909,986	(5,399,067)	(533,833)	(533,833)	(401,793)

OPERATIONAL SERVICES COMMITTEE BUDGET MONITORING REPORT - December 2021

Revenue	Total Budget 2021-22	Profiled Budget to 31 December 2021	Actual to 31 December 2021	Variance	Projected Outturn	Current variance between Total Budget & Projected Outturn	Variance between Total Budget & Projected Outturn - September
	£	£	£	£	£	£	£
	Building Regulations	17,696	11,134	19,404	8,270	17,696	
CIL	--	--	(3,830,481)	(3,830,481)	--		
Civic Amenities Act	11,671	6,878	7,066	188	11,671		
Climate Change	100,000	75,000	51,264	(23,736)	100,000		
Community Projects & Grants	179,585	115,960	184,292	68,332	159,585	(20,000)	(20,000)
Community Safety	57,002	37,298	(13,104)	(50,402)	57,002		
Cons.Area & Listed Buildings	60,967	45,725	48,485	2,760	60,967		
Customer Services	460,037	354,014	350,151	(3,863)	437,537	(22,500)	(12,500)
Dog Warden Scheme	34,443	25,895	24,144	(1,751)	34,443		
Ely Markets	--	--	--	--	--		
Emergency Planning	28,374	5,883	13,779	7,896	28,374		
Environmental Issues	91,486	71,915	79,356	7,441	91,486		
Health - Admin. & Misc.	410,201	303,175	293,028	(10,147)	410,201		
Homelessness	343,080	165,377	(651,786)	(817,163)	283,080	(60,000)	(25,000)
IT	801,664	672,773	715,757	42,984	821,664	20,000	
Leisure Centre	(241,113)	6,750	1,097	(5,653)	(241,113)	--	--
Licencing	2,499	1,772	(23,509)	(25,281)	2,499		
Marketing & Grants	70,094	57,875	48,280	(9,595)	70,094		
Neighbourhood Panels	1,500	1,125	--	(1,125)	1,500		
Nuisance Investigation	75,315	56,486	59,253	2,767	75,315		
Performance Management	10,400	7,800	--	(7,800)	10,400		
Pest Control	9,341	7,006	6,863	(143)	9,341		
Planning	6,808	5,634	(142,217)	(147,851)	(103,192)	(110,000)	(110,000)
Public Relations	75,917	56,938	52,432	(4,506)	75,917		
Refuse Recycling	1,006,700	770,025	768,954	(1,071)	1,006,700		
Refuse Collection	1,201,511	901,133	904,652	3,519	1,201,511		
Street Cleansing	703,258	527,444	527,444	--	703,258		
Street Naming & Numbering	6,841	5,131	6,412	1,281	6,841		
Travellers Sites	(22,000)	(45,024)	15,614	60,638	(12,000)	10,000	10,000
Tree Preservation	55,717	35,383	27,483	(7,900)	55,717		
			--				
Revenue Total	5,558,994	4,286,505	(455,887)	(4,742,392)	5,376,494	(182,500)	(157,500)

CAPITAL BUDGET MONITORING 2021/22

Capital	Published Budget 2021-22 £	Slippage from 2020-21 £	Approved Additions £	Revised Budget 2021-22 £	Actual at 31st December 2021 £	Forecast Outturn £	Variance between Revised Budget & Forecast Outturn £
OPERATIONAL SERVICES							
Conservation Area Schemes - 2nd round		27,506		27,506		27,506	0
Refuse & Cleansing Vehicles	2,000,000			2,000,000		0	(2,000,000)
Waste - Wheeled Bins	40,000			40,000	45,238	45,238	5,238
Mandatory Disabled Facilities Grants	697,299	370,595	81,894	1,149,788	58,149	500,000	(649,788)
Empty Properties, Discretionary DFGs, Minor Works, Home Repair Asst.	75,000			75,000	(6,020)	30,000	(45,000)
Vehicle Etc. Replacements	29,000			29,000	42,750	64,000	35,000
Leisure Centre				0	(188,038)	0	0
Operational Services Total	2,841,299	398,101	81,894	3,321,294	(47,921)	666,744	(2,654,550)
FINANCE & ASSETS							
East Cambs Trading Company - New loan facility	100,000	(100,000)		0		0	0
A14 Contribution	40,000			40,000		40,000	0
Depot	845,950			845,950	5,737	20,000	(825,950)
Extension to Ely Country Park		163,200		163,200		163,200	0
Loan to EC CLT			390,000	390,000		390,000	0
Finance & Assets Total	985,950	63,200	390,000	1,439,150	5,737	613,200	(825,950)
Total	3,827,249	461,301	471,894	4,760,444	(42,184)	1,279,944	(3,480,500)

SOURCES OF FINANCING	Published Budget 2021-22 £	Slippage from 2020-21 £	Approved Additions £	Revised Budget 2021-22 £	Variances £	Forecast Outturn £
Operational Services						
Grants - DFG	526,577		81,894	608,471	(108,471)	500,000
Revenue Contributions					35,000	35,000
Capital Receipts	265,722	398,101		663,823	(583,698)	80,125
Borrowing	2,000,000	0	0	2,000,000	(3,100,000)	(1,100,000)
Section 106 / CIL	49,000			49,000	1,102,619	1,151,619
Operational Services Total	2,841,299	398,101	81,894	3,321,294	(2,654,550)	666,744
Finance & Assets						
Capital Receipts		0		0	0	0
Section 106 / CIL	40,000	163,200		203,200	0	203,200
Borrowing	945,950	(100,000)	390,000	1,235,950	(825,950)	410,000
Finance & Assets Total	985,950	63,200	390,000	1,439,150	(825,950)	613,200
Capital Funding Total	3,827,249	461,301	471,894	4,760,444	(3,480,500)	1,279,944

Capital Resources Forecast	Published Budget 2021-22 £	Slippage from 2020-21 £	Approved Additions £	Revised Budget 2021-22 £	Variances £	Outturn £
Balance Brought Forward	839,305	633,023		1,472,328		1,472,328
Add receipts from Sales of Assets	50,000			50,000	0	50,000
Less Capital Receipts Applied	(265,722)	(398,101)		(663,823)	583,698	(80,125)
Capital Reserves Carried Forward	623,583	234,922	0	858,505	583,698	1,442,203

Borrowing	Published Budget 2021-22 £	Slippage from 2020-21 £	Approved Additions £	Revised Budget 2021-22 £	Variances £	Outturn £
Balance Brought Forward	11,178,003	(126,774)		11,051,229		11,051,229
Less MRP Applied	(392,496)			(392,496)	11,352	(381,144)
Add additional Borrowing Applied	2,945,950	(100,000)	390,000	3,235,950	(3,925,950)	(690,000)
Borrowing Carried Forward	13,731,457	(226,774)	390,000	13,894,683	(3,914,598)	9,980,085

Description	2021/22			
	Opening Balance 1 April £	Transfers to Reserve £	Contributions from Reserve £	Forecast Balance 31 March £
District Elections	22,500	22,500		45,000
Historic Buildings Grants	6,190			6,190
Housing Conditions Survey	45,000	5,000		50,000
Building Control	23,155			23,155
Change Management	249,223		(5,353)	243,870
Major Project Development	100,000			100,000
Surplus Savings Reserve	7,836,516	777,743	(2,072,648)	6,541,611
Vehicle Replacements	89,187			89,187
New Homes Bonus	0			0
Leisure Centre - sinking fund	87,722	142,127		229,849
Insurance	0			0
IT	80,000	10,000		90,000
CIL	5,223,174	4,376,757	(2,100,000)	7,499,931
CIL Admin	226,560		(50,000)	176,560
Care and Repair	45,000			45,000
Community Fund Reserves	30,884		(16,000)	14,884
Housing	79,547			79,547
Affordable Housing	412,510	53,200	(243,910)	221,800
General Fund Balance	1,045,629	5,353		1,050,982
Commercial Invest to Save	20,000			20,000
CLT Grant Applications	20,000			20,000
Travellers' Sites	0	40,762		40,762
Enterprise Zone NNDR	389,617	146,681		536,298
Cambridgeshire Horizons	0	3,891,500	(103,000)	3,788,500
Council Tax / NNDR Carry Forwards	3,105,955		(3,105,955)	0
Climate Change	39,422		(39,422)	0
Other				
Section 106 Agreements	3,358,535		(500,000)	2,858,535
Internal Borrowing	(11,051,229)	690,000	381,144	(9,980,085)
Total Reserves	11,485,097	10,161,623	(7,855,144)	13,791,576