

**TITLE: FINANCE REPORT**

Committee: Finance & Assets Committee

Date: 5<sup>th</sup> October 2021

Author: Finance Manager

[W76]

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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 approve the additions to the 2021/22 budget in relation to slippages from 2020/21 and the additional disabilities facilities grant as detailed in paragraphs 3.7 to 3.9 of the report and on the slippage and additions columns on Appendix 3.

2.2 Members are asked to note:

- this Committee has a projected yearend underspend of £23,100 when compared to its approved revenue budget of £5,276,679.
- that overall the Council has a projected yearend underspend of £73,100 when compared to its approved revenue budget of £14,313,335.
- that the overall position for the Council on Capital is a projected outturn of £4,760,444, which is in line with the revised budget (subject to approval of 2.2 above).

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 first report for the 2021/22 financial year and details actual expenditure incurred and income received as at 30<sup>th</sup> June 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. There are two forecast variations being reported at this time, but the net position is that the Committee will come in in-line with its net budget.
- 3.5 With regard to Finance & Assets Committee, the significant variances of actual spend compared to profiled budgeted spend at the end of June 2021, where no variance is forecast for yearend, are detailed below:

<b>Service</b>	<b>Variance £</b>	<b>Explanation</b>
Corporate Management Local Plans Financial Services	(149,163) (89,284) (30,466)	These budgets have accruals from 2020/21 that remain unpaid or have external income brought forward into 2021/22
Economic Development	(63,191)	The income received from Cambridgeshire County Council for Wi-Fi implementation has not all been spent, but costs will be incurred throughout the year. Furthermore, occupancy at the e-space centres increased in the first quarter of 20/21.
Parks & Gardens	113,994	Recharges to ECTC are actioned quarterly in arrears
Interest & Financial Transactions	18,794	Bank charges were higher and interest received lower in the first quarter than forecast
Member & Committee Support	(11,434)	Staff savings in the first quarter
Miscellaneous Finance	239,070	Insurance costs temporarily held on this code, but will be distributed to appropriate costs centre during the second quarter
Parking of Vehicles	(14,661)	The underspend relates to some business rate payments being outstanding, but income in the first quarter remained below budget as the impact of the pandemic continued, the Government compensation scheme remained in place for the first quarter of 2021/22 and the Council will be making a claim against this in due course
Payroll	11,941	Additional IT License costs in the first quarter

Housing Strategy Reprographics	(40,716) (11,373)	Staff Savings in the first quarter
Local Elections Registration of Electors	(25,320) (36,239)	Roll over of income from 2020/21 to fund future elections
Cost of Other Elections	254,250	This relates to payments in advance for Mayoral Elections which will be recovered
Sport & Recreation	(154,594)	We have received a National Leisure Recovery Fund payment, this is to support leisure services in the District and will be forwarded onward to the trusts and academies that run the facilities during this financial year
COVID-19	(212,765)	This relates to ringfenced Government grants that have been received and will be either forwarded on to businesses or spent in 2021/22

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

<b>Service</b>	<b>Variance £</b>	<b>Explanation</b>
Land Charges Admin	(15,000)	Increased income over the first quarter, this forecast is based on income received so far
Public Conveniences	(16,800)	There is a saving expected on public conveniences business rates as such properties have been deemed by Government to be zero rated moving forward
Management Team	20,000	The secondments of senior staff to the Combined Authority ended earlier than budgeted, resulting in less income being received than had been forecast
Miscellaneous Finance	(11,300)	More leisure centre costs were met from CIL in 2020/21 than forecast, which has resulted in reduced debt costs in the current year
Other Government Grants	(50,000)	We have been given extra administration (new burden) funding this year to facilitate the government business grants scheme.

## **Capital**

- 3.7 The Council's capital programme for 2021/22 (appendix 3) has had £461,301 slippage from 2020/21 applied. Committee is asked to approve the carry forward of this slippage as it relates to underspends in 2020/21 caused by timing issues, as opposed to genuine underspends on schemes. This funding is therefore needed in 2021/22 in order to fund the expenditure that is still expected to be incurred.
- 3.8 The £461,301 of funding to be carried forward relates to a number of schemes; the main two being; disabled facilities grant (where there is a time delay between funding being allocated to schemes and the actual work being undertaken, this was particularly the case last year because of the pandemic, resulting in a large number of schemes needing to be completed this year) and the purchase of land off Lisle Lane, Ely from the Environment Agency which is now expected to take place later this year.
- 3.9 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, and again requires Committee's approval before it can be spent.
- 3.10 The revised capital programme for the Council is therefore £4,760,444. There are no yearend variations forecast at this time.

## **4 ARGUMENTS / CONCLUSIONS**

- 4.1 The projected net revenue expenditure for the Council is forecast to be £14,290,235 in 2021/22. This would give an underspend of £73,100 compared to the Council's approved budget.
- 4.2 The projected Capital Outturn for the Council stands at £4,760,444. This is the same as the revised budget, as there are no yearend variances forecast at this point in the year.

## **5 FINANCIAL IMPLICATIONS / EQUALITY AND CARBON IMPACT ASSESSMENTS**

- 5.1 There is a revenue underspend of £73,100 compared to this Council's approved budget, all things being equal, this will be paid into the Surplus Savings Reserve at yearend and provide additional budget support in future years.
- 5.2 Equality Impact Assessment (INRA) not required.
- 5.3 Carbon Impact Assessment (CIA) not required.

## 6 APPENDICES

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

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<u>Background Documents</u>	<u>Location</u>	<u>Contact Officer</u>
Council Budget as approved by Council on the 23 <sup>rd</sup> February 2021	Room 104 The Grange Ely	Ian Smith Finance Manager Tel: (01353) 616470 E-mail: <a href="mailto:ian.smith@eastcambs.gov.uk">ian.smith@eastcambs.gov.uk</a>

## FINANCE &amp; ASSETS COMMITTEE BUDGET MONITORING REPORT - 30th June 2020

	Total Budget 2021-22	Profiled Budget to 30 June 2021	Actual to 30 June 2021	Variance	Projected Outturn	Variance between Total Budget & Projected Outturn
Revenue	£		£	£	£	£
Asset Management	141,918	--	15	(15)	141,918	--
Award Ditches	9,006	2,252	--	(2,252)	9,006	--
Civic Relations	22,542	5,645	3,780	(1,865)	22,542	--
Closed Churchyards	29,668	7,417	1,244	(6,173)	29,668	--
Community Safety	--	--	--	--	--	--
Community Transport	15,000	--	--	--	15,000	--
Corporate Management	274,503	78,110	(71,053)	(149,163)	274,503	--
Cost of Other Elections	--	--	254,250	254,250	--	--
Council Tax Accounting	423,191	59,100	53,761	(5,339)	423,191	--
Crematorium	--	--	6,950	6,950	--	--
Data Management	100,992	25,255	20,501	(4,754)	100,992	--
Depot Services	(66,300)	(16,575)	(16,575)	--	(66,300)	--
Economic Development	31,649	29,301	(33,890)	(63,191)	31,649	--
Financial Services	347,842	84,269	53,803	(30,466)	347,842	--
General Gang	82,556	21,318	9,646	(11,672)	82,556	--
Health & Safety (Work)	22,566	2,000	--	(2,000)	22,566	--
Housing Benefits	336,367	84,091	122,359	38,268	336,367	--
Housing Strategic	229,737	89,934	49,218	(40,716)	229,737	--
Human Resources	209,337	51,879	52,126	247	209,337	--
Interest & Financial Transactions	(31,859)	9,279	28,073	18,794	(31,859)	--
Internal Audit	72,822	--	--	--	72,822	--
Land Charges Admin	(41,268)	(8,667)	(42,057)	(33,390)	(56,268)	(15,000)
Legal	240,531	58,332	65,661	7,329	240,531	--
Leisure Centre	(241,113)	6,250	--	(6,250)	(241,113)	--
Local Elections	22,500	--	(25,320)	(25,320)	22,500	--
Local Plans	95,000	23,750	(65,534)	(89,284)	95,000	--
Management Team	364,685	65,111	71,670	6,559	384,685	20,000
Member & Committee Support	531,290	132,455	121,021	(11,434)	531,290	--
Mepal Outdoor Centre	44,000	29,000	24,677	(4,323)	44,000	--
Miscellaneous Properties	(45,157)	(10,432)	(12,087)	(1,655)	(45,157)	--
Miscellaneous Finance	761,012	4,316	243,386	239,070	749,712	(11,300)
Museums - Old Gaol House	--	545	1,128	583	--	--
NNDR Collection Costs	45,170	36,552	34,433	(2,119)	45,170	--
Office Accommodation	354,203	157,091	159,366	2,275	354,203	--
Oliver Cromwell House	--	--	--	--	--	--
Out Of Hours call out Service	12,000	3,000	1,212	(1,788)	12,000	--
Parking Of Vehicles	64,131	124,133	109,472	(14,661)	64,131	--
Parks And Gardens Team	334,862	97,041	211,035	113,994	334,862	--
Payroll	70,665	17,626	29,567	11,941	70,665	--
Public Conveniences	154,013	51,204	22,095	(29,109)	137,213	(16,800)
Refuse Collection	--	--	11,193	11,193	--	--
Registration of Electors	53,371	8,554	(27,685)	(36,239)	53,371	--
Reprographics	116,170	28,358	16,985	(11,373)	116,170	--
Sport & Recreation	89,077	(14,443)	(169,037)	(154,594)	89,077	--
Covid 19	--	--	(212,765)	(212,765)	--	--
<b>Finance &amp; Assets Committee Total</b>	<b>5,276,679</b>	<b>1,343,051</b>	<b>1,102,624</b>	<b>(240,457)</b>	<b>5,253,579</b>	<b>(23,100)</b>
<b>Operational Services Committee</b>	<b>5,800,107</b>	<b>1,041,284</b>	<b>(638,430)</b>	<b>(1,685,693)</b>	<b>5,800,107</b>	<b>--</b>
<b>Other Spend</b>						
Parish Precepts	2,524,650	1,262,325	1,260,666	(1,659)	2,524,650	--
Internal Drainage Boards	512,018	256,009	253,361	(2,648)	512,018	--
Movement in Corporate Reserves	199,881	--	--	--	199,881	--
<b>Revenue Budget Total</b>	<b>14,313,335</b>	<b>3,902,669</b>	<b>1,978,221</b>	<b>(1,930,457)</b>	<b>14,290,235</b>	<b>(23,100)</b>
<b>Funding</b>						
Council Tax	(6,809,287)	--	--	--	(6,809,287)	--
Revenue Support Grant	(11,829)	--	--	--	(11,829)	--
Business Rates	(4,140,702)	--	--	--	(4,140,702)	--
Other Government Grants (NHB / RSG etc.)	(1,278,869)	(709,607)	(876,407)	(166,800)	(1,328,869)	(50,000)
Budgeted draw from Surplus Savings Reserve	(2,072,648)	--	--	--	(2,072,648)	--
	<b>(14,313,335)</b>	<b>(709,607)</b>	<b>(876,407)</b>	<b>(166,800)</b>	<b>(14,363,335)</b>	<b>(50,000)</b>
<b>Revenue Total</b>	<b>--</b>	<b>3,193,062</b>	<b>1,101,814</b>	<b>(2,097,257)</b>	<b>(73,100)</b>	<b>(73,100)</b>

## OPERATIONAL SERVICES COMMITTEE BUDGET MONITORING REPORT - JUNE 2021

Revenue	Total Budget 2021-22	Profiled Budget to 30 June 2021	Actual to 30 June 2021	Variance	Projected Outturn	Variance between Total Budget & Projected Outturn
	£	£	£	£	£	£
Building Regulations	17,696	3,711	(10,137)	(13,848)	17,696	
CIL	--	--	(1,241,950)	(1,241,950)	--	
Civic Amenities Act	11,671	2,293	2,279	(14)	11,671	
Climate Change	100,000		5,979		100,000	
Community Projects & Grants	179,585	36,949	84,897	47,948	179,585	
Community Safety	57,002	16,433	(56,248)	(72,681)	57,002	
Cons.Area & Listed Buildings	60,967	15,241	16,038	797	60,967	
Customer Services	460,037	118,005	110,606	(7,399)	460,037	
Dog Warden Scheme	34,443	8,798	7,559	(1,239)	34,443	
Ely Markets	--	--	--	--	--	
Emergency Planning	28,374	2,033	8,173	6,140	28,374	
Environmental Issues	91,486	20,773	20,627	(146)	91,486	
Health - Admin. & Misc.	410,201	99,405	104,245	4,840	410,201	
Homelessness	343,080	(439,978)	(734,390)	(294,412)	333,080	(10,000)
IT	801,664	334,491	324,561	(9,930)	801,664	
Licencing	2,499	357	(4,359)	(4,716)	2,499	
Marketing & Grants	70,094	48,438	40,136	(8,302)	70,094	
National Practitioner Support Programme	--	--	--	--	--	
Neighbourhood Panels	1,500	375	--	(375)	1,500	
Nuisance Investigation	75,315	18,829	20,247	1,418	75,315	
Performance Management	10,400	2,600	--	(2,600)	10,400	
Pest Control	9,341	2,335	2,256	(79)	9,341	
Planning	6,808	1,285	(105,647)	(106,932)	6,808	
Public Relations	75,917	18,979	3,308	(15,671)	75,917	
Refuge Recycling	1,006,700	251,675	270,468	18,793	1,006,700	
Refuse Collection	1,201,511	300,378	299,748	(630)	1,201,511	
Renovation Grants	--	--	--	--	--	
Street Cleansing	703,258	175,815	175,815	--	703,258	
Street Naming & Numbering	6,841	1,710	2,289	579	6,841	
Travellers Sites	(22,000)	(13,528)	8,810	22,338	(12,000)	10,000
Tree Preservation	55,717	13,882	6,260	(7,622)	55,717	
<b>Revenue Total</b>	<b>5,800,107</b>	<b>1,041,284</b>	<b>(638,430)</b>	<b>(1,685,693)</b>	<b>5,800,107</b>	<b>--</b>

## CAPITAL BUDGET MONITORING 2021/22

Capital	Published Budget 2021-22 £	Slippage from 2020-21 £	Approved Additions £	Revised Budget 2021-22 £	Actual at 30th June 2021 £	Forecast Outturn £	Variance between Revised Budget & Forecast Outturn £
<b>OPERATIONAL SERVICES</b>							
Conservation Area Schemes - 2nd round		27,506		27,506		27,506	0
Refuse & Cleansing Vehicles	2,000,000			2,000,000		2,000,000	0
Waste - Wheelied Bins	40,000			40,000	13,396	40,000	0
Depot	845,950			845,950		845,950	0
Mandatory Disabled Facilities Grants	697,299	370,595	81,894	1,149,788	(262,978)	1,149,788	0
Empty Properties, Discretionary DFGs, Minor Works, Home Repair Asst.	75,000			75,000	(31,179)	75,000	0
Vehicle Etc. Replacements	29,000			29,000	7,750	29,000	0
Leisure Centre				0	(188,038)	0	0
<b>Operational Services Total</b>	<b>3,687,249</b>	<b>398,101</b>	<b>81,894</b>	<b>4,167,244</b>	<b>(461,049)</b>	<b>4,167,244</b>	<b>0</b>
<b>FINANCE &amp; ASSETS</b>							
East Cambs Trading Company - New loan facility	100,000	(100,000)		0		0	0
A14 Contribution	40,000			40,000		40,000	0
Extension to Ely Country Park		163,200		163,200		163,200	0
Loan to EC CLT			390,000	390,000		390,000	0
<b>Finance &amp; Assets Total</b>	<b>140,000</b>	<b>63,200</b>	<b>390,000</b>	<b>593,200</b>	<b>0</b>	<b>593,200</b>	<b>0</b>
<b>Total</b>	<b>3,827,249</b>	<b>461,301</b>	<b>471,894</b>	<b>4,760,444</b>	<b>(461,049)</b>	<b>4,760,444</b>	<b>0</b>

SOURCES OF FINANCING	Published Budget 2021-22 £	Slippage from 2020-21 £	Approved Additions £	Revised Budget 2021-22 £	Variations £	Forecast Outturn £
<b>Operational Services</b>						
Grants / Contributions (DFG)	526,577		81,894	608,471	0	608,471
Capital Receipts	265,722	398,101		663,823	0	663,823
Borrowing	2,845,950	0		2,845,950	0	2,845,950
Section 106 / CIL	49,000			49,000	0	49,000
<b>Operational Services Total</b>	<b>3,687,249</b>	<b>398,101</b>	<b>81,894</b>	<b>4,167,244</b>	<b>0</b>	<b>4,167,244</b>
<b>Finance &amp; Assets</b>						
Capital Receipts		0		0	0	0
Section 106 / CIL	40,000	163,200		203,200	0	203,200
Borrowing	100,000	(100,000)	390,000	390,000	0	390,000
<b>Finance &amp; Assets Total</b>	<b>140,000</b>	<b>63,200</b>	<b>390,000</b>	<b>593,200</b>	<b>0</b>	<b>593,200</b>
<b>Capital Funding Total</b>	<b>3,827,249</b>	<b>461,301</b>	<b>471,894</b>	<b>4,760,444</b>	<b>0</b>	<b>4,760,444</b>

Capital Resources Forecast	Published Budget 2021-22 £	Slippage from 2020-21 £	Approved Additions £	Revised Budget 2021-22 £	Variations £	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)	0	(663,823)
<b>Capital Reserves Carried Forward</b>	<b>623,583</b>	<b>234,922</b>	<b>0</b>	<b>858,505</b>	<b>0</b>	<b>858,505</b>

Borrowing	Published Budget 2021-22 £	Slippage from 2020-21 £	Approved Additions £	Revised Budget 2021-22 £	Variations £	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	0	3,235,950
<b>Borrowing Carried Forward</b>	<b>13,731,457</b>	<b>(226,774)</b>	<b>390,000</b>	<b>13,894,683</b>	<b>11,352</b>	<b>13,906,035</b>



## Reserve Accounts

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
Asset Management	0			0
Surplus Savings Reserve	7,836,516	73,100	(2,072,648)	5,836,968
Vehicle Replacements	89,187			89,187
New Homes Bonus	0			0
Leisure Centre - sinking fund	87,722	78,127		165,850
Insurance	0			0
IT	80,000	10,000		90,000
CIL	5,223,174	1,200,000	(800,000)	5,623,174
CIL Admin	226,560		(50,000)	176,560
Care and Repair	45,000			45,000
Wheeled Bins Reserve	0			0
Community Fund Reserves	30,884		(16,000)	14,884
Housing	79,547			79,547
Affordable Housing	412,510	53,200		465,710
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		3,891,500
Climate Change	39,422		(39,422)	0
Other				
Section 106 Agreements	3,358,535		(500,000)	2,858,535
Internal Borrowing	(11,051,229)	(2,845,950)	392,496	(13,504,683)
<b>Total Reserves</b>	<b>8,379,141</b>	<b>2,680,273</b>	<b>(3,090,927)</b>	<b>7,968,488</b>

<b>Reserves for Statement of Accounts</b>	16,071,835	5,526,223	(2,983,423)	18,614,636
<b>General Fund</b>	1,045,629	5,353	0	1,050,982
<b>CIL</b>	5,223,174	1,200,000	(800,000)	5,623,174
<b>Earmarked Reserves</b>	9,803,032	4,320,870	(2,183,423)	11,940,480
<b>Increase / (decrease) in Earmarked Reserves</b>				2,137,448

