

TITLE: FINANCE REPORT

Committee: Finance & Assets Committee

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1.0 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.

2.0 RECOMMENDATION(S)

2.1 Members are requested to note:

- this Committee has a yearend underspend of £1,159,868 compared to its approved revenue budget of £5,591,706.
- that overall the Council has a yearend underspend of £1,746,865 when compared to its approved revenue budget of £14,937,774.
- that the overall position for the Council on Capital is an outturn of £8,850,847, this is an underspend of £1,984,154 when compared to the revised budget.

2.2 Members are asked to approve the carry forward of Capital budgets into 2023/24 where slippage has occurred on projects. The total value of net slippage is £1,237,281 as detailed on appendix 3. Appendix 3 also shows the slippage value for individual schemes.

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, with this Committee further considering the overall Council position.

3.2 This is the final report for the 2022/23 financial year and details actual expenditure incurred, income received and accruals as at 31st March 2023.

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 for the Operational Services Committee was a £742,047 overspend when compared to its net budget. The main factor leading to this was a £467,015 overspend on Waste collection (ECSS formally requested an increase in management fee from the Council to fund the additional costs of resolving the recent issues at the Company), an overspend on Planning because of the high amount of complex planning applications, and the Leisure Centre. [More detailed explanations for these and other variances on Operational Services can be obtained from the Finance Report to that Committee on the 19th June 2023.]

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

Service	Variance £	Explanation
Asset Management	(£36,974)	It was not possible to programme all the work planned with contractors during the year, so this work will now take place during 2023/24.
Council Tax	(£70,025)	This represents our share of the ARP underspend in 2022/23. ARP received considerable new burdens funding from Government for managing the Council Tax rebate scheme and CARF.
Crematorium	£19,183	This relates to consultant costs for this project in 2022/23.
Data Management Reprographics	£13,315 (£12,569)	Increased costs in postage, stationery, and the annual staff payrise contributed to the overspend in Data Management. Income in reprographics was in advance to budget.
Economic Development	(£103,888)	Income at the e-space centres has been in advance of the level anticipated when the budget was built (15% at North & 33% at South). There were also staff vacancies during the year and an unbudgeted recharge of staff costs against income from the Enterprise Zone.
General Gang	(£39,441)	The underspend relates to a vacancy in the Team, the post will be recruited to in the new financial year.

Housing Benefits	(36,907)	The budget was built using 2021/22 figures (the latest available at the time), this is the final 2022/23 position.
Housing Strategic	(£206,533)	Staff vacancies and a saving on the consultants' budget have resulted in an underspend.
Interest & Financial Transactions	(£608,952)	During the year we have been able to obtain significantly higher rates of interest on ECDC funds than anticipated when the budget was built. This has resulted in higher interest receipts.
Land Charges Admin	(£10,892)	Both Highway searches and associated income increased in 2022/23. The underspend was caused by a staff vacancy in the final six months of the year.
Legal	(£15,641)	Savings on staff costs plus an increase in income have resulted in this underspend.
Local Plans	£14,954	The costs for Inspector fees for the on-going local plan examination came out of this budget.
Management Team	(£23,831)	There was a vacancy during the year in the management team which resulted in this underspend.
Member & Committee Support	(£38,972)	An underspend on staff costs during the first six months of the year; followed by a restructuring of the team resulted in this underspend.
Miscellaneous Properties	(£23,581)	Increased rental income on properties.
Office Accommodation	£76,287	Increases in electricity costs, plus the Combined Authority surrendering their lease of Market Street resulting in lost income and associated redecoration / marketing costs.
Parking of Vehicles	£17,031	Income from car parks has still not reach pre-Covid levels. The budget for the Ely commuter car parks was built assuming some reduction in pre-Covid

		levels, but the recovery has not reached the level anticipated.
Parks & Open Spaces	(£55,776)	More Section 106 receipts were available to support these costs than anticipated when the budget was built.
Payroll	£37,909	The contract for I-Trent was renewed during the year. While we remained with the same provider, there were unbudgeted one-off costs associated with renewing the contract.
Public Conveniences	£69,087	Increased cleaning because of the new standards of cleanliness required in the Council's public conveniences has increased costs (staff and products). In addition, the increase in electricity costs has also impacted.
Registration of Electors	(£14,820)	Reduce printing, stationery and postage costs ensured that this budget was underspent.
Sport & Recreation	(£104,022)	The Sports Facility Funding Reserve was fully funded in 2021/22 therefore this budget was not needed in 2022/23. There was also a staff vacancy for the final quarter.
Internal Drainage Board	(£16,682)	The Council's budget was set before the individual IDBs set theirs and the estimate made has proved to be slightly above that needed.
Movement in Reserves	(£51,518)	Less business rates receipts were received in relation to the Enterprise Zone this year.
Business Rates	(£1,147,746)	The Council has benefited from additional Section 31 grant than that budgeted and an improved position compared to the prudent budget position on the Cambridgeshire Pool.
Other Government Grants	(£113,098)	This relates to unbudgeted new burdens grant income from Government.

Capital

- 3.6 The Council's capital programme for 2022/23 (appendix 3) has had £827,964 slippage from 2021/22 applied.
- 3.7 The new loan facility approved by Council on the 21st April 2022 is shown within the overall capital budget. While the full loan facility approved was for £7.5 million, the anticipated profile of borrowing expected that £5.6 million of this would be needed in 2022/23 and this value was shown against this year, with the additional amounts detailed in future years. In reality £6.0 million was actually drawdown by ECTC during the year, this allowed them to fully repay all loans outstanding with the Combined Authority.
- 3.8 The revised capital programme for the Council is therefore £10,835,001, with the outturn position being £8,850,847. The three biggest variances related to:
- Waste Vehicles - where we continued to wait for news of the Government's new Waste Strategy before ordering. Members will be aware that an order has now been placed and the vehicles will be received in 2023/24.
 - Disabled Facilities, where the on-going consequences of the Covid-19 pandemic has resulted in delays in work being undertaken.
 - A14 Contribution, where rather than pay this over 25 years, we were given the opportunity to pay as a discounted lump sum.

4.0 ARGUMENTS/CONCLUSION(S)

- 4.1 The net revenue expenditure for the Council in 2022/23 was an underspend of £1,746,865 when compared to its approved budget.

5.0 FINANCIAL IMPLICATIONS / EQUALITY IMPACT STATEMENT / CARBON IMPACT ASSESSMENT

- 5.1. The revenue underspend of £1,746,865 will be transferred to the Surplus Savings Reserve.
- 5.2. Equality Impact Assessment (EIA) is not required.
- 5.3. Carbon Impact Assessment (CIA) is not required.

6.0 APPENDICES

- 6.1 Appendix 1 – Summary Budget Monitoring Report – 31st March 2023
Appendix 2 – Operational Services Budget Monitoring Report – 31st March 2023
Appendix 3 – Capital Budget Monitoring Report – 31st March 2023
Appendix 4 – Reserve Balances – 31st March 2023

Background Documents:

Council Budget approved by Full Council on the 22nd February 2022

FINANCE & ASSETS COMMITTEE BUDGET MONITORING REPORT - 31st March 2023

Revenue	Budget 2022-23	Actual to 31st March 2023	Variance	Variance between Total Budget & Projected Outturn - December 2022
	£	£	£	£
Asset Management	49,090	12,116	(36,974)	
Award Ditches	9,276	9,276	--	
Civic Relations	22,448	15,657	(6,791)	
Closed Churchyards	43,359	48,046	4,687	
Community Safety	--	--	--	
Community Transport	15,000	15,000	--	
Corporate Management	159,973	151,585	(8,388)	
Cost of Other Elections	--	--	--	
Council Tax Accounting	423,264	353,239	(70,025)	12,700
Crematorium		19,183	19,183	7,200
Data Management	96,167	109,482	13,315	
Depot Services	(67,626)	(68,363)	(737)	
Economic Development	46,530	(57,358)	(103,888)	(77,000)
Financial Services	365,772	359,856	(5,916)	
General Gang	87,128	47,687	(39,441)	(30,000)
Health & Safety (Work)	22,857	29,769	6,912	
Housing Benefits	364,917	328,010	(36,907)	65,700
Housing Strategic	274,130	67,597	(206,533)	(105,000)
Human Resources	222,112	230,093	7,981	
Interest & Financial Transactions	(81,594)	(690,546)	(608,952)	(300,000)
Internal Audit	74,278	76,412	2,134	
Land Charges Admin	(36,498)	(47,390)	(10,892)	(35,000)
Legal	254,869	239,228	(15,641)	(10,000)
Local Elections	22,500	22,500	--	
Local Plans	95,000	109,954	14,954	
Management Team	418,878	395,047	(23,831)	
Member & Committee Support	562,984	524,012	(38,972)	(30,000)
Mepal Outdoor Centre	34,272	36,322	2,050	
Miscellaneous Properties	(42,591)	(66,172)	(23,581)	
Miscellaneous Finance	715,692	721,442	5,750	(4,000)
Museums - Old Gaol House	285	1,884	1,599	
NNDR Collection Costs	45,264	37,313	(7,951)	
Office Accommodation	402,336	478,623	76,287	20,000
Oliver Cromwell House	--	--	--	
Out Of Hours call out Service	15,000	8,860	(6,140)	
Parking Of Vehicles	81,771	98,802	17,031	50,000
Parks And Gardens Team	331,308	275,532	(55,776)	70,000
Payroll	77,231	115,140	37,909	30,000
Public Conveniences	157,618	226,705	69,087	33,000
Refuse Collection	--	--	--	
Registration of Electors	51,721	36,901	(14,820)	
Reprographics	139,032	126,463	(12,569)	(8,000)
Sport & Recreation	137,953	33,931	(104,022)	(70,000)
Additional Staff Costs		--	--	
Covid 19		--	--	
Finance & Assets Committee Total	5,591,706	4,431,838	(1,159,868)	(380,400)
Operational Services Committee	5,818,175	6,560,222	742,047	250,000
Other Spend				
Parish Precepts	2,739,806	2,739,806	--	
Internal Drainage Boards	571,955	555,273	(16,682)	(16,700)
Movement in Corporate Reserves	216,132	164,614	(51,518)	
Revenue Budget Total	14,937,774	14,451,753	(486,021)	(147,100)
Funding		--		
Council Tax	(7,407,208)	(7,407,208)	--	
Revenue Support Grant	(12,579)	(12,579)	--	
Business Rates	(4,731,390)	(5,879,136)	(1,147,746)	
Other Government Grants (NHB / RSG etc.)	(1,565,034)	(1,678,132)	(113,098)	(44,000)
Budgeted draw from Surplus Savings Reserve	(1,221,563)	(1,221,563)	--	
	(14,937,774)	(16,198,618)	(1,260,844)	(44,000)
Revenue Total	--	(1,746,865)	(1,746,865)	(191,100)

OPERATIONAL SERVICES BUDGET MONITORING REPORT - 31st March 2023

Revenue	Budget 2022-23	Actual	Variance	Variance between Total Budget & Projected Outturn - December 2022
	£	£	£	£
Building Regulations	30,900	42,739	11,839	20,000
CIL	--	--	--	
Civic Amenities Act	9,828	10,595	767	
Climate Change	100,000	100,000	--	
Community Projects & Grants	189,099	141,712	(47,387)	
Community Safety	57,661	56,622	(1,039)	
Cons.Area & Listed Buildings	64,569	66,965	2,396	
Customer Services	493,405	433,025	(60,380)	(15,000)
Dog Warden Scheme	36,022	36,320	298	
Ely Markets	--	--	--	
Emergency Planning	28,665	27,745	(920)	
Environmental Issues	146,705	116,025	(30,680)	
Health - Admin. & Misc.	423,589	480,748	57,159	25,000
Homelessness	377,911	307,193	(70,718)	(130,000)
IT	872,889	957,735	84,846	75,000
Leisure Centre	(471,469)	(280,163)	191,306	
Licencing	11,835	5,220	(6,615)	
Marketing & Grants	73,229	56,289	(16,940)	
Neighbourhood Panels	1,500	45	(1,455)	
Nuisance Investigation	80,306	88,905	8,599	
Performance Management	10,400	--	(10,400)	
Pest Control	9,866	10,308	442	
Planning	144,837	321,245	176,408	(25,000)
Public Relations	102,779	86,411	(16,368)	
Refuse Recycling	1,051,426	1,051,426	--	
Refuse Collection	1,237,556	1,704,571	467,015	300,000
Street Cleansing	724,356	724,686	330	
Street Naming & Numbering	16,289	10,768	(5,521)	
Travellers Sites	(5,978)	3,087	9,065	
Revenue Total	5,818,175	6,560,222	742,047	250,000

CAPITAL BUDGET MONITORING REPORT - 31st March 2023

Capital	Published Budget 2022-23 £	Slippage from 2021-22 £	Approved Additions £	Revised Budget 2022-23 £	Outturn £	Variance between Revised Budget & Outturn £	Carry Forward into 2023/24 £
OPERATIONAL SERVICES							
Conservation Area Schemes - 2nd round		27,506		27,506	0	(27,506)	27,506
Refuse and Cleansing Vehicles	2,000,000			2,000,000	0	(2,000,000)	
Waste - Wheelied Bins	40,000			40,000	70,784	30,784	
Mandatory Disabled Facilities Grants	1,347,087	166,008		1,513,095	584,294	(928,801)	928,801
Empty Properties, Discretionary DFGs, Minor Works, Home Repair Asst. Vehicle Etc. Replacements	75,000			75,000	91,546	16,546	
Leisure Centre	29,000	21,250		50,250	249,097	198,847	
				0	0	0	
Operational Services Total	3,491,087	214,764	0	3,705,851	995,721	(2,710,130)	956,307
FINANCE & ASSETS							
E-Space North, Solar Panels	50,000			50,000	0	(50,000)	50,000
Depot	825,950	20,000		845,950	209,326	(636,624)	636,624
A14 Contribution	40,000	40,000		80,000	1,250,900	1,170,900	(82,000)
Extension to Ely Country Park		163,200		163,200	160,300	(2,900)	
Loan to EC CLT		390,000		390,000	234,600	(155,400)	76,350
New Loan Agreement with ECTC			5,600,000	5,600,000	6,000,000	400,000	(400,000)
Finance & Assets Total	915,950	613,200	5,600,000	7,129,150	7,855,126	725,976	280,974
Total	4,407,037	827,964	5,600,000	10,835,001	8,850,847	(1,984,154)	1,237,281

SOURCES OF FINANCING	Published Budget 2022-23 £	Slippage from 2021-22 £	Approved Additions £	Revised Budget 2022-23 £	Outturn £	Variances £	Carry Forward into 2023/24 £
Operational Services							
Grants / Contributions (DFG)	716,942	271,463		988,405	584,294	(404,111)	404,111
Capital Receipts	745,145	(77,949)		667,196	152,330	(514,866)	552,196
Revenue Reserve					14,947	14,947	
Borrowing	2,000,000	0		2,000,000	(572,961)	(2,572,961)	
Section 106 / CIL	29,000	21,250		50,250	817,111	766,861	
Operational Services Total	3,491,087	214,764	0	3,705,851	995,721	(2,710,130)	956,307
Finance & Assets							
Capital Receipts	50,000	0		50,000	160,300	110,300	50,000
Revenue Reserve	0	0		0	1,050,000	1,050,000	(42,000)
Section 106 / CIL	40,000	203,200		243,200	200,900	(42,300)	(40,000)
Borrowing	825,950	410,000	5,600,000	6,835,950	6,443,926	(392,024)	312,974
Finance & Assets Total	915,950	613,200	5,600,000	7,129,150	7,855,126	725,976	280,974
Capital Funding Total	4,407,037	827,964	5,600,000	10,835,001	8,850,847	(1,984,154)	1,237,281

Capital Resources Forecast	Published Budget 2022-23 £	Slippage from 2021-22 £	Approved Additions £	Revised Budget 2022-23 £	Outturn £	Variances £
Balance Brought Forward	1,442,203	94,178		1,536,381	1,536,381	
Add receipts from Sales of Assets	50,000			50,000	257,051	207,051
Less Capital Receipts Applied	(795,145)	77,949		(717,196)	(312,630)	404,566
Capital Reserves Carried Forward	697,058	172,127	0	869,185	1,480,802	611,617

Borrowing	Published Budget 2022-23 £	Slippage from 2021-22 £	Approved Additions £	Revised Budget 2022-23 £	Outturn £	Variances £
Balance Brought Forward	9,980,085	(490,447)		9,489,638	9,489,638	
Less MRP Applied	(337,944)			(337,944)	(333,927)	4,017
Repayment from ECTC	(4,070,000)		(830,000)	(4,900,000)	(4,900,000)	
Add additional Borrowing Applied	2,825,950	410,000	5,600,000	8,835,950	5,870,965	(2,964,985)
Borrowing Carried Forward	8,398,091	(80,447)	4,770,000	13,087,644	10,126,676	(2,960,968)

Description	2022/23			
	Opening Balance 1 April	Transfers to Reserve	Contributions from Reserve	Forecast Balance 31 March
	£	£	£	£
District Elections	127,181	34,751		161,932
Historic Buildings Grants	6,190			6,190
Housing Conditions Survey	20,000	5,000		25,000
Building Control	23,155		(23,155)	0
Change Management	243,870		(12,312)	231,558
Major Project Development	100,000			100,000
Surplus Savings Reserve	8,130,907	1,746,865	(1,221,563)	8,656,209
Vehicle Replacements	89,187		(14,947)	74,240
Sports Facilities Funding Reserve	300,000		(12,000)	288,000
IT	120,000	40,000		160,000
CIL Admin	226,560		(9,491)	217,069
Asset Management	12,679			12,679
Care and Repair	45,000			45,000
Community Fund Reserves	30,884			30,884
Housing	79,547			79,547
Affordable Housing	221,800			221,800
General Fund Balance	1,050,982	12,312		1,063,294
Commercial Invest to Save	20,000			20,000
CLT Grant Applications	20,000			20,000
Travellers' Sites	0			0
Enterprise Zone NNDR	658,813	164,615	(85,010)	738,418
Cambridgeshire Horizons - General	790,000		(358,881)	431,119
Cambridgeshire Horizons - A14	1,050,000		(1,050,000)	0
Growth and Infrastructure Fund	2,000,000	307,216		2,307,216
NNDR Carry Forwards	1,457,533		(1,457,533)	0
Exceptional Hardship Fund	0	3,180	(543)	2,637
Climate Change	84,466	14,727	(28,195)	70,999
Other				
CIL	7,556,750	2,878,759		10,435,509
Section 106 Agreements	3,473,616	1,800,558	(1,806,779)	3,467,395
Internal Borrowing	(9,489,638)	(5,870,965)	5,233,927	(10,126,676)
Total Reserves	18,449,482	1,137,018	(846,480)	18,740,020