

TITLE: FINANCE REPORT

Committee: Finance and Assets Committee

Date: 20th June 2019

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1. ISSUE

1.1 This report provides Members with the financial outturn position for services under the former Resources and Finance Committee and then, as part of this Committee's corporate remit, for the Council as a whole. While the Committee structure of the Council has now changed, as this report relates to the 2018-19 financial year, the previous committee structure is reflected.

2. RECOMMENDATION (S)

2.1 Members are requested to note:

- The final revenue position for the Council was an underspend of £987,740, this compared to its approved budget of £13,099,777.
- That the Council's overall position on Capital was an outturn spend of £3,479,256, an underspend of £7,951,689 when compared to its revised capital budget.
- The Council had revenue reserves of £11,048,964 at 31st March 2019.

2.2 Members are asked to approve the roll forward of slippage on the capital programme (as detailed in appendix 4) to allow 2018-19 schemes to be completed during 2019-20 and future years.

3. BACKGROUND / OPTIONS

3.1 Under Financial Regulations, each policy committee is required to consider 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 2018-19 financial year and details actual expenditure incurred as at 31st March 2019.

3.3 Appendix 1 details the revenue position for the Resources and Finance Committee and the Council overall. The budgets under the stewardship of the

former Resources and Finance Committee are shown in detail, with then the position for the other policy committees shown in summary.

- 3.4 The detailed revenue budget position for the former Regulatory Services and Community Services Committees are shown in appendices 2 and 3.
- 3.5 Explanations for the yearend variances reported for all Committee are detailed in the below table:

Service	Variance £	Explanation
Resources and Finance Committee		
Interest & Fin. Transactions	(48,141)	We received more interest than initially budgeted for. This, in part, related to the additional interest received on the Barton Road land where the principle wasn't received until September 2018 and thus interest charged for a longer period than originally anticipated, but also reflects that the Council had greater cash balances throughout the year than originally anticipated.
Miscellaneous Finance	(96,535)	The Council remained external debt free during the whole of 2018-19 and so didn't incur any external interest costs, resulting in a saving compared to the original budget.
Asset Management	(52,582)	Plans for an options appraisal and feasibility study on the future of The Grange have been delayed.
Corporate Management	13,778	This overspend relates to the cost of a consultant to progress the Council's job evaluation process and additional external audit fees, contraed to the most part, by income from the Combined Authority in relation to the secondment of senior officers.
Economic Development	(30,971)	There was an underspend on staffing on this budget and E-space North had an increased amount of rent due to better occupancy rates in the building.
Housing Benefits	(159,421)	The budget for Housing Benefits was built using information as at August 2017 (the most up to date information at the time). However, the yearend information for 2018-19 showed a decrease in claims for housing benefit in the year, thus generating a saving.
Financial Services	(47,721)	There was an underspend within financial services due to posts remaining unfilled as more efficient processes have been implemented within the team.

IT	(147,193)	As a consequence of staff vacancies and delays in the recruitment process during and after the IT restructure, an underspend has ensued with regard to staff costs. There was also a delay in the implementation of the upgrade to Uniform and EDRMS, resulting in training and software costs also being underspent.
Strategic Housing Services	(42,856)	A staff vacancy in this area resulted in a saving, while there was also a saving on the consultancy budget.
Legal	(38,150)	Recruitment of staff in the Legal team proved difficult during 2018-19. Interviews however took place in January 2019 and it is hoped that staff will be in place early in the new financial year.
Reprographics	(18,462)	This reflects a saving on staff costs.
Regulatory Services Committee		
Dog Warden Scheme	(13,320)	Savings have been made in the kennelling costs, with residents being asked to keep dogs overnight so that the use of kennels is kept to a minimum.
Planning	12,148	Additional fee income was earned during the year partly as a consequence of new Government legislation increasing Planning fees by 20% from the 17 th January 2018 and partly because the Council lost its 5-year land supply following a Gladman's appeal, which has resulted in a number of speculative applications being received. There were however a number of Public Inquiries and appeal hearings held during the year which required barristers and specialist planners to defend EDCD decisions. A number of consultants were also required to assess technical information following a Judicial Review at the FP McCann site in Littleport. And then further, there were vacancies within the Planning Team during the year that were filled by agency workers at a higher cost than would have been the case if we had been employing our own staff. These additional costs were in excess of the increase in income.
Environment	(52,255)	There was a saving on staff costs as a result of difficulties in recruiting to vacant posts within the team. The Health & Wellbeing grant was also not spent, due to a lack of demand for individual projects, and further there was an underspend on the Environmental Crime budget.

Land Charges	(36,966)	Income for Land Charges was in excess of the budget, due to an increased amount of house moves in the district during the financial year.
Travellers Sites	19,540	New Fencing and a GM Telemetry System at Earith Bridge have resulted in this overspend. The telemetry system was put in to prevent any future drainage blocking problems.
Health & Safety (Work)	(17,844)	The Council's Health & Safety function is being undertaken by an officer from another district council on a secondment basis, saving this Authority £18k when compared to the budget.
Refuse Collection	(70,777)	This underspend relates to Recycling Credits for 2017-18 that were not reserved for at the end of that financial year and have therefore been shown as income in 2018-19. Recycling Credits for 2018-19 have been paid to East Cambs Street Scene (ECSS) as part of the contract between ECSS and the Council.
Homelessness	(133,476)	The reported underspend is a combination of a saving on staffing (the Housing Team had two vacancies in the first half of the year - these are now filled) and a saving on hotels and hostels during the financial year, the reason being that it has not been necessary to provide this kind of emergency accommodation due to early intervention and prevention. We are anticipating an impact from Universal Credit in the next six to twelve months so we will be reviewing the team structure to ensure it remains fit for purpose.
Community Services Committee		
Community Projects & Grants	(37,554)	The maintenance costs in the country park were covered by Section 106 funding.
Local Plans	(69,455)	We received an extra £21,000 into the budget for neighbourhood planning that wasn't budgeted for, and had an underspend on consultants due to a reduced amount of work by Peterborough City Council on our behalf – this was due to the local plan being withdrawn during the financial year.
Sport & Recreation	11,461	No budget was set for Mepal Outdoor Centre, as there was an expectation this would be taken over by an external party. This did not happen, resulting in the Council having to pay Business Rates on the Property and there was also vandalism to the property which had to be rectified.

Emergency Planning	(19,953)	Staff saving – Post filled via a secondment arrangement with an officer from another authority (see Health and Safety section above).
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Capital

- 3.9 The Council's final capital programme for 2018-19, once slippage from 2017-18 and additional Disability Facilities Grant was applied was £11,430,946.
- 3.10 The Council has underspent this revised budget by £7,951,689.
- 3.11 The largest underspend in cash terms (£6,330,000) relates to the delay in the implementation of Soham Eastern Gateway project. This did not progress during 2018-19 as originally believed would be the case.
- 3.12 There is an overspend on the Leisure Centre when compared to the revised budget. The Leisure Centre will cost an extra £402,388 mainly as a consequence of delays with a third party getting utilities onto the site, as previously reported. This additional cost will be covered by additional CIL contributions, appropriately allocated to the Leisure Centre project, but not included in the original business plan.
- 3.13 The overspend on the equipment fit out, £122,328, will be recovered from the operator as part of the management fee, so again, will not impact on the Council's budget position.
- 3.14 The reported underspends in relation to the depot, the loan to ECTC, disability grants and the purchase of the Riverside Moorings from the Environment Agency relate to slippage / delays on these schemes. It is therefore expected that the remaining funding on these schemes will be needed in 2019-20 to complete these projects and as such, a request is made for Committee to agree the carry forward of these amounts.

4 ARGUMENTS / CONCLUSIONS

- 4.1 The net revenue expenditure for the Council for 2018-19, when compared to its approved budget, was an underspend of £987,740.
- 4.2 The Capital Outturn for the Council was £3,479,256. This reflects an underspend of £7,951,689 when compared to the revised budget.

5 FINANCIAL IMPLICATIONS/EQUALITY IMPACT ASSESSMENT

- 5.1 The revenue underspend of £987,740 has been transferred to the Surplus Savings Reserve and will be available to provide one-off funding to assist with balancing the Council's budget in future years.

5.2 Equality Impact Assessment (INRA) not required

6 APPENDICES

6.1 Appendix 1 – Resources and Finance Revenue Outturn Report

6.2 Appendix 2 – Regulatory Services Revenue Outturn Report

6.3 Appendix 3 – Community Services Revenue Outturn Report

Appendix 4 – Summary Capital Programme

Appendix 5 – Statement of Reserves

Background Documents

Location

Contact Officer

Council Budget as approved by
Council 22nd February 2018

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The Grange
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