

TITLE: FINANCE REPORT

Committee: Finance & Assets Committee

Date: 23rd July 2020

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[V43]

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:

2.2 to approve the slippages from 2019/20 being added to the 2020/21 budget as detailed on the slippage column on appendix 3.

2.2 to note:

- This Committee has a projected yearend overspend of £553,000 when compared to its approved revenue budget of £4,655,272.
- That overall the Council has a projected yearend overspend of £496,000 when compared to its approved revenue budget of £13,278,311.
- That the overall position for the Council on Capital is a projected outturn of £5,199,116, which is an overspend of £10,000 when compared to its revised budget of £5,189,116.

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 2020/21 financial year and details actual expenditure incurred and income received as at 30th June 2020 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 As detailed in the report to Full Council on the 16th July, there will be significant implications on the Council's budget from the Covid-19 pandemic. For this report the total Covid-19 related outturn forecast is shown on one line, with non-covid variances being shown on respective service lines. The Covid-19 figure is that detailed in the report to Full council on the 16th July.
- 3.5 The detailed revenue budget position for the Operational Services Committee is shown in appendix 2. There are two forecast underspends being reported at this time, these being the saving from bringing homelessness support, previously undertaken by the CAB in-house and Customer Services where there was a staff vacancy throughout the first quarter.
- 3.6 With regard to Finance & Assets Committee, the significant variances of actual spend compared to profiled budgeted spend at the end of June 2020, where no variance is forecast for yearend, are detailed below:

Service	Variance £	Explanation
Corporate Management Local Plans Museum(Old Gaol) Financial Services	(£23,906) (£100,890) (£12,112) (£43,479)	These budgets have accruals from 2019/20 that remain unpaid or have external income brought forward into 2020/21
Economic Development	(£45,897)	The charge of Littleport Wi-Fi to Cambridgeshire County Council has been undertaken in advance, but costs will be incurred throughout the year.
Housing Strategy	(£55,979)	Staff Savings in the first quarter of 2020/21
Miscellaneous Finance	£213,806	Insurance invoice paid and will be allocated to service areas in July 2020
Cost of Other Elections Local Elections	(£40,375) (£22,205)	Roll over of income from 2019/20 to fund future elections
Registration of Electors	(41,611)	This relates to income received in advance for individual electoral registration

- 3.7 Explanations for the forecast yearend variances reported for this Committee are detailed in the table on the next page:

Service	Variance £	Explanation
Covid-19	£553,000	Various increases in expenditure and reductions in income, matched to some extent from Government grant provided to support councils through the pandemic. See 16 th July Council report for full details.

Capital

- 3.8 The Council's capital programme for 2020/21 (appendix 3) has had £1,596,590 slippage from 2019-20 applied, this change results in the total capital programme value for 2020-21 of £5,189,116. Committee is asked to approve the carry forward of this slippage as it relates to underspends in 2019-20 caused by timing issues, as opposed to genuine underspends on schemes. This funding is therefore needed in 2020-21 in order to fund the expenditure that is still expected to be incurred in the coming year.
- 3.9 The £1,596,590 of funding to be carried forward relates to a number of schemes; disabled facilities grant (where there is a time delay between funding being allocated to schemes and the actual work being undertaken, resulting in a number of schemes being completed in the following year), the purchase of the Riverside Moorings from the Environment Agency is expected to take place later this year; the extension of the Commuter car park which was delayed and the previously approved funding of the Trading Company, which has not yet been drawn down.
- 3.10 There is one yearend variation forecast at this time, this relates to the purchase of wheeled bins. It was originally anticipated that the purchase and distribution of these would be actioned via East Cambs Street Scene, but as these need to remain as an asset to the Council, it is now felt appropriate that the cost of these is charged to the Council's capital budget.

4 ARGUMENTS / CONCLUSIONS

- 4.1 The projected net revenue expenditure for the Council is forecast to be £13,774,311 in 2020/21. This would give an overspend of £496,000 compared to the Council's approved budget.
- 4.2 The projected Capital Outturn for the Council stands at £5,199,116. This reflects an overspend of £10,000 when compared to the revised budget.

5 FINANCIAL IMPLICATIONS/EQUALITY IMPACT ASSESSMENT

- 5.1 There is a revenue overspend of £496,000 compared to this Council's approved budget, all things being equal, this will be a further draw from the Surplus Savings Reserve at yearend.
- 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 2020
Appendix 2 – Operational Services Budget Monitoring – June 2020
Appendix 3 – Capital Budget Monitoring – June 2020

<u>Background Documents</u>	<u>Location</u>	<u>Contact Officer</u>
Council Budget as approved by Council on the 20 th February 2020	Room 104 The Grange Ely	Ian Smith Finance Manager Tel: (01353) 616470 E-mail: ian.smith@eastcambs.gov.uk
Full Council report on the impact of Covid-19 on the Council's Finances on the 16 th July, agenda item 10		