

TITLE: FINANCE REPORT

Committee: Finance & Assets Committee

Date: 22nd July 2021

Author: Finance Manager

[W46]

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:

- The Finance and Assets Committee has a projected yearend underspend of £1,075,641 when compared to its approved revenue budget of £4,754,985.
- That overall the Council has a projected yearend underspend of £2,165,572 when compared to its approved revenue budget of £13,644,206.
- That this Committee has an expected underspend of £1,603,846 when compared with its revised capital budget of £8,048,680.
- That the overall position for the Council on Capital is a projected outturn of £7,159,257, which is an underspend of £4,711,753 when compared to its revised budget of £11,871,010.

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 final report for the 2020/21 financial year and details actual expenditure incurred and income received as at 31st March 2021.
- 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 budget position for the Operational Services Committee is shown in appendix 2. A more detailed report will be presented to Operational Services Committee at their next meeting, in September 2021, providing an explanation for the major variances detailed in the report.
- 3.5 With regard to Finance & Assets Committee, explanations for the forecast yearend variances are detailed in the below table:

Service	Variance £	Explanation
Asset Management	(£79,520)	Underspend on expenditure in this area due to less work being undertaken during the Covid-19 pandemic.
Corporate Management	(£18,560)	There is a small contingency budget held on this cost centre, which was not needed in 2020/21. This was counterbalanced to some degree by higher external audit fees, due to the additional reassurance work undertaken by EY to provide to assess the impact of the pandemic on the Council's finances.
Council Tax Accounting	(£21,390)	Additional Government Grant was received when compared to that forecast in the budget.
Crematorium	£218,936	Investigatory costs at the Mepal Outdoor Centre in order to prepare a planning application to turn the site into a crematorium
Economic Development	(£28,811)	Savings in staff costs as a result of one member of staff leaving and being unable to recruit a replacement during the year.
Housing Strategic	(£126,998)	Staff savings accrued in the first nine months of 2020/21, before the vacancy was filled in the final quarter.
Payroll	£12,552	Increase in contractor and service costs.

Parking of Vehicles	£52,113	Parking fee income over the first five months of the year was virtually nil and while it picked up in the latter part of the 2020 calendar year it remained well below expectations due to Covid-19. Approximately 70% of this has been covered by the Government income compensation scheme.
Land Charges Legal	(£17,233) (£27,589)	Savings have been made due to a staff vacancy and Legal income has increased this year beyond the anticipated budgeted level. Further, the temporary measure put in place by Government to freeze stamp duty until 31 st March 2021 resulted in an increased amount of work and therefore fees in relation to Land Charges.
Interest & Financial Transactions	(£44,930)	ECTC borrowed more from the Council in 2020/21 than had been forecast in the budget, pre-Covid-19, and therefore the interest receipts received by the Council increased.
Housing Benefits	(£45,004)	The budgeted amount reflects the mid-year position in 2019/20 (the last available information when the budget was built) while the actual shows the final position for 2020/21.
Leisure Centre	£79,606	As more costs for the Leisure Centre were met from CIL in 2019/20 than forecast, this reduced the MRP (under Miscellaneous Finance) which allowed more costs to be moved to the Sinking-Fund.
Miscellaneous Finance	7,970	There were two compensating variations on miscellaneous finance, the MRP saving as identified above in relation to the Leisure Centre and then an increased provision for bad debts.
General Gang	(£74,975)	Staff Savings as a result of one member of staff leaving and another being seconded into another section.

Member & Committee Support	(£47,263)	Covid-19 has meant minimal expenditure on Members' travel due to remote meetings and further no Member training sessions took place the financial year, both resulting in an underspend in Members costs. Vacancies in Democratic Services have now been filled, however there was a saving on staff costs during the year while these roles were unfilled.
NNDR Collection Costs	£25,160	Additional costs were incurred bringing properties previously missing from the ratings list onto it, thus increasing Business Rate income.
Office Accommodation	(£29,341)	Saving on electricity, cleaning materials, premises contract work and material purchases due to the lack of the people in the office during the year as a consequence of Covid-19. We also received unbudgeted income from a LCSF ECO audit.
Human Resources	(£19,177)	Due to Covid-19 the training budget has underspent this year. This covers in-house training, training expenses and other forms of external training.
Registration of Electors	(29,552)	The exceptional circumstances surrounding the Covid-19 pandemic has resulted in reduced expenditure around canvassing arrangements than originally budgeted.

Covid-19	(£846,526)	<p>The Government provided ECDC with £1,159,532 of un-ringfenced grant to assist us with additional costs incurred as a result of the pandemic. (This is different to the grant provided to the Council to pass onto businesses in the area and other Government earmarked schemes where funding had to be used for specific purposes (including the sales, fees and charges compensation scheme.)) For this report, income losses are shown in the area to which they relate (such as parking of vehicles) rather than on this line.</p> <p>Matched against this funding, the Council incurred costs in relation to IT, to enable home working, ECSS to allow the recruitment of agency staff to maintain the service while directly employed staff were self-isolating, the Leisure Centre where the lack of income resulted in the site making a loss in the year and miscellaneous costs in making the Council buildings covid safe.</p>
Public conveniences	£14,049	Increased staffing costs to keep toilets clean during the pandemic.
Reprographics	(£14,793)	Savings were made on printing and stationery costs due to the majority of staff working from home.

Capital

- 3.6 In relation to the Finance and Assets Committee's capital position, East Cambs Trading Company (ECTC) repaid the full value of its original loans from the Council on the 31st March 2021, as detailed in the loan agreements. On the same day, the Council paid to ECTC £4.9 million of new loan as agreed by Council at its meeting on the 16th July 2020:
- 3.7 There are underspends in relation to the purchase of additional car parking capacity for its commuter car park, a scheme which is not now likely to go ahead and the extension to Ely County Park, where funds will be rolled forward into 2021/22 to enable the purchase to be completed.

4 ARGUMENTS / CONCLUSIONS

- 4.1 The net revenue expenditure for the Council including the funding lines is an underspend of £2,165,572 compared to the Council's approved budget; this has been transferred to the Surplus Savings Reserve.
- 4.2 The revised Surplus Savings Reserve balance is now £7,836,516 which will be used in future years to smooth the budget.
- 4.3 The Capital outturn for the Council stands at £7,159,257. This reflects an underspend of £4,711,753 when compared to the revised budget.

5 FINANCIAL IMPLICATIONS/EQUALITY IMPACT ASSESSMENT

- 5.1 There is an overall revenue underspend of £2,165,572 for yearend, compared to this Council's approved budget.
- 5.2 Equality Impact Assessment (INRA) not required.
- 5.3 Carbon Impact Assessment (CIA) not required.

6 APPENDICES

- Appendix 1 – Summary Budget Monitoring – March 31st 2021
- Appendix 2 – Operational Services Budget Monitoring – March 31st 2021
- Appendix 3 – Capital Budget Monitoring – March 31st 2021
- Appendix 4 – Reserve position as at March 31st 2021

Background Documents

Council Budget as approved by
Council on the 20th February
2020

Location

Room 104
The Grange
Ely

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FINANCE & ASSETS COMMITTEE BUDGET REPORT - YEAREND 2020/21

	Total Budget 2020-21	Actual to 31 March 2021	Yearend Variance	Forecast Outturn Variance previous Quarter
Revenue	£	£	£	£
Asset Management	79,139	(381)	(79,520)	--
Award Ditches	8,829	13,624	4,795	--
Civic Relations	21,794	16,720	(5,074)	--
Climate Change	100,000	100,000	--	--
Closed Churchyards	29,086	29,086	--	--
Community Safety	--	--	--	--
Community Transport	15,000	15,000	--	--
Corporate Management	170,724	152,164	(18,560)	--
Cost of Other Elections	--	205	205	--
Council Tax Accounting	422,337	400,947	(21,390)	--
Crematorium	--	218,936	218,936	--
Data Management	99,024	92,019	(7,005)	--
Economic Development	(13,155)	(41,966)	(28,811)	--
Financial Services	335,662	340,436	4,774	20,000
General Gang	117,565	42,590	(74,975)	(30,000)
Health & Safety (Work)	22,280	18,674	(3,606)	--
Housing Benefits	373,717	328,713	(45,004)	30,000
Housing Strategic	210,597	83,599	(126,998)	--
Human Resources	186,883	167,706	(19,177)	(21,000)
Interest & Financial Transactions	(142,347)	(187,277)	(44,930)	(43,000)
Internal Audit	70,855	71,271	416	--
Land Charges Admin	(59,353)	(76,586)	(17,233)	(25,000)
Legal	221,889	194,300	(27,589)	(15,000)
Leisure Centre	(396,404)	(316,798)	79,606	--
Local Elections	22,500	27,887	5,387	--
Local Plans	95,000	93,846	(1,154)	--
Management Team	296,018	293,188	(2,830)	--
Member & Committee Support	498,187	450,924	(47,263)	(30,000)
Miscellaneous Properties	(44,665)	(48,741)	(4,076)	--
Miscellaneous Finance	831,648	839,618	7,970	(94,000)
Museums - Old Gaol House	22,357	22,208	(149)	--
NNDR Collection Costs	42,040	67,200	25,160	--
Office Accommodation	382,570	353,229	(29,341)	10,000
Oliver Cromwell House	--	46	46	--
Out Of Hours call out Service	15,000	6,063	(8,937)	--
Parking Of Vehicles	(44,514)	7,599	52,113	--
Parks And Gardens Team	262,984	256,577	(6,407)	--
Payroll	63,485	76,037	12,552	--
Public Conveniences	151,033	165,082	14,049	--
Trading Company Recharge	--	2,594	2,594	--
Registration of Electors	53,371	23,819	(29,552)	(16,000)
Reprographics	111,559	96,766	(14,793)	(10,000)
Sport & Recreation	122,290	128,945	6,655	--
Covid 19	--	(846,526)	(846,526)	--
Finance & Assets Committee Total	4,754,985	3,679,343	(1,075,642)	(224,000)
Operational Services Committee	5,651,190	5,745,041	93,851	(74,500)
Other Spend				
Parish Precepts	2,470,158	2,470,158	--	--
Internal Drainage Boards	501,978	494,976	(7,002)	--
Movement in Corporate Reserves	265,895	267,570	1,675	--
Revenue Budget Total	13,644,206	12,657,088	(987,118)	(298,500)
Funding				
Council Tax	(6,820,563)	(6,820,564)	(1)	--
Revenue Support Grant	(11,764)	(11,769)	(5)	--
Business Rates	(4,455,162)	(5,194,270)	(739,108)	--
Other Government Grants (NHB / RSG etc.)	(965,176)	(1,404,516)	(439,340)	(130,000)
Budgeted draw from Surplus Savings Reserve	(1,391,541)	(1,391,541)	--	--
	(13,644,206)	(14,822,660)	(1,178,454)	(130,000)
Revenue Total	--	(2,165,572)	(2,165,572)	(428,500)

OPERATIONAL SERVICES COMMITTEE BUDGET REPORT - YEAREND 2020/21

	Total Budget 2020-21	Actual to 31 March 2021	Yearend Variance	Variance between Total Budget & Projected Outturn
Revenue	£		£	£
Building Regulations	27,520	172	(27,348)	(20,000)
CIL	(0)	--	--	
Civic Amenities Act	11,428	9,331	(2,097)	
Community Projects & Grants	221,578	136,526	(85,052)	(57,000)
Community Safety	50,834	60,404	9,570	
Cons.Area & Listed Buildings	60,578	61,838	1,260	
Customer Services	465,859	444,893	(20,966)	(50,000)
Dog Warden Scheme	34,512	32,843	(1,669)	
Ely Markets	(0)	3,309	3,309	
Emergency Planning	28,088	27,474	(614)	
Environmental Issues	90,260	76,755	(13,505)	
Health - Admin. & Misc.	407,059	350,085	(56,974)	
Homelessness	372,074	350,098	(21,976)	(33,500)
IT	801,156	808,272	7,116	
Licencing	(899)	1,566	2,465	
Marketing & Grants	66,345	54,725	(11,620)	
Neighbourhood Panels	1,500	--	(1,500)	(1,000)
Nuisance Investigation	70,970	72,719	1,749	
Performance Management	10,400	--	(10,400)	
Pest Control	9,090	13,796	4,706	
Planning	(16,131)	145,703	161,834	60,000
Public Relations	75,172	76,396	1,224	
Refuge Recycling	952,785	1,027,863	75,078	
Refuse Collection	1,177,951	1,216,266	38,315	18,000
Renovation Grants	--	385	385	
Street Cleansing	689,469	690,384	915	
Street Naming & Numbering	7,896	4,424	(3,472)	
Travellers Sites	(19,713)	18,857	38,570	9,000
Tree Preservation	55,409	59,957	4,548	--
Revenue Total	5,651,190	5,745,041	93,851	(74,500)

CAPITAL BUDGET MONITORING 2020/21

Capital	Published Budget 2020-21 £	Slippage from 2019-20 £	Approved Additions £	Revised Budget 2020-21 £	Actual at 31st March 2021 £	Outturn Variation £
OPERATIONAL SERVICES						
Conservation Area Schemes - 2nd round		27,506		27,506		(27,506)
Refuse & Cleansing Vehicles	1,882,077			1,882,077		(1,882,077)
Waste - Wheelied Bins					48,540	48,540
Depot	745,950	100,000		845,950		(845,950)
Mandatory Disabled Facilities Grants	697,299	94,417	81,894	873,610	503,015	(370,595)
Empty Properties, Discretionary DFGs, Minor Works, Home Repair Asst.	75,000			75,000	51,968	(23,032)
Vehicle Etc. Replacements	29,000	89,187		118,187	110,900	(7,287)
Leisure Centre				0		0
Operational Services Total	3,429,326	311,110	81,894	3,822,330	714,423	(3,107,907)
FINANCE & ASSETS						
East Cambs Trading Company - original		1,980,000		1,980,000	950,000	(1,030,000)
East Cambs Trading Company - MOD		300,000		300,000	300,000	0
East Cambs Trading Company - New loan facility			4,900,000	4,900,000	4,900,000	0
Riverside Moorings		289,500		289,500	293,584	4,084
Internet / HR / Payroll System		15,980		15,980	1,250	(14,730)
Commuter Car Park - Ely (additional)		400,000		400,000		(400,000)
Extension to Ely Country Park	163,200			163,200		(163,200)
Finance & Assets Total	163,200	2,985,480	4,900,000	8,048,680	6,444,834	(1,603,846)
Total	3,592,526	3,296,590	4,981,894	11,871,010	7,159,257	(4,711,753)

SOURCES OF FINANCING	Published Budget 2020-21 £	Slippage from 2019-20 £	Approved Additions £	Revised Budget 2020-21 £	Variations £	Outturn £
Operational Services						
Grants / Contributions (DFG)	526,577		81,894	608,471	(105,456)	503,015
Revenue Contribution		89,187		89,187	(89,187)	
Capital Receipts	245,722	94,417		340,139	(247,631)	92,508
Borrowing	2,628,027	100,000		2,728,027	(3,697,724)	(969,697)
Section 106 / CIL	29,000	27,506		56,506	1,032,091	1,088,597
Operational Services Total	3,429,326	311,110	81,894	3,822,330	(3,107,907)	714,423
Finance & Assets						
Capital Receipts		305,480		305,480	(10,646)	294,834
Section 106 / CIL	163,200	400,000		563,200	(563,200)	0
Borrowing - Company	0	2,280,000	4,900,000	7,180,000	(1,030,000)	6,150,000
Finance & Assets Total	163,200	2,985,480	4,900,000	8,048,680	(1,603,846)	6,444,834
Capital Funding Total	3,592,526	3,296,590	4,981,894	11,871,010	(4,711,753)	7,159,257

Capital Resources Forecast	Published Budget 2020-21 £	Slippage from 2019-20 £	Approved Additions £	Revised Budget 2020-21 £	Variations £	Outturn £
Balance Brought Forward	463,173	921,751		1,384,924		1,384,924
Add receipts from Sales of Assets	2,273,500			2,273,500	(1,798,754)	474,746
Less Capital Receipts Applied	(245,722)	(399,897)		(645,619)	258,277	(387,342)
Capital Reserves Carried Forward	2,490,951	521,854	0	3,012,805	(1,540,477)	1,472,328

Borrowing	Published Budget 2020-21 £	Slippage from 2019-20 £	Approved Additions £	Revised Budget 2020-21 £	Variations £	Outturn £
Balance Brought Forward	13,145,749	(1,384,891)		11,760,858		11,760,858
Less MRP Applied	(499,058)			(499,058)	79,126	(419,932)
Repayment from ECTC	(3,620,000)	(2,880,000)		(6,500,000)	1,030,000	(5,470,000)
Add additional Borrowing Applied	2,628,027	2,380,000	4,900,000	9,908,027	(4,727,724)	5,180,303
Borrowing Carried Forward	11,654,718	(1,884,891)	4,900,000	14,669,827	(3,618,598)	11,051,229

Reserve Accounts

Description	2020/21				
	Opening Balance 1 April	Transfers to Reserve	Contributions from Reserve	Forecast Balance 31 March	
	£	£	£	£	
District Elections	0	22,500		22,500	F&A
Historic Buildings Grants	6,190			6,190	Operational
Housing Conditions Survey	40,000	5,000		45,000	Operational
Building Control	23,155			23,155	Operational
Change Management	236,744	12,479		249,223	F&A
Major Project Development	100,000			100,000	F&A
Asset Management	0			0	F&A
Surplus Savings Reserve	7,017,799	2,210,257	(1,391,541)	7,836,516	F&A
Vehicle Replacements	89,187			89,187	F&A
New Homes Bonus	44,685		(44,685)	0	F&A
Leisure Centre - sinking fund	(44,685)	132,407		87,722	F&A
Insurance	16,343		(16,343)	0	F&A
IT	40,000	40,000		80,000	Operational
CIL	3,219,091	2,004,083		5,223,174	F&A
CIL Admin	226,560			226,560	F&A
Care and Repair	45,000			45,000	Operational
Wheeled Bins Reserve	0			0	Operational
Community Fund Reserves	14,884	16,000		30,884	Operational
Housing	79,547			79,547	Operational
Affordable Housing	346,150	66,360		412,510	F&A
General Fund Balance	1,045,629			1,045,629	F&A
Commercial Invest to Save	20,000			20,000	F&A
CLT Grant Applications	20,000			20,000	F&A
Travellers' Sites	4,357		(4,357)	0	Operational
Enterprise Zone NNDR	253,577	136,039		389,617	F&A
Climate Change	0	39,422		39,422	F&A
Other					
Section 106 Agreements	2,267,451	1,319,342	(228,257)	3,358,535	
Internal Borrowing	(11,760,859)	5,889,932	(5,180,303)	(11,051,229)	
Total Reserves	3,350,806	11,893,820	(6,865,486)	8,379,141	

Reserves for Statement of Accounts	12,844,214	4,684,546	(1,456,926)	16,071,835
General Fund	1,045,629	0	0	1,045,629
CIL	3,219,091	2,004,083	0	5,223,174
Earmarked Reserves	8,579,495	2,680,463	(1,456,926)	9,803,032
Increase / (decrease) in Earmarked Reserves				1,223,538