

TITLE: BUDGET MONITORING REPORT

Committee: Operational Services Committee

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[V124]

1. ISSUE

- 1.1 This report provides Members with details of the financial position for services under the Operational Services Committee.

2. RECOMMENDATION (S)

- 2.1 Members are requested to note that this Committee is currently projected to end the year with a revenue underspend of £74,500, when compared to its planned budget, of £5,650,903.
- 2.2 Members are further requested to note that the Committee has a projected capital programme outturn of £1,166,380. This is an underspend of 2,655,950.

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.
- 3.2 This is the third quarter report for the 2020/21 financial year and details actual expenditure incurred and income received as at 31st December 2020 and current projections as to the year-end position.
- 3.3 The revenue budget for each service that falls under the stewardship of this Committee has been reviewed with appendix 1 detailing the current variance and forecast outturn for each service line.
- 3.4 The significant variances of actual spend compared to profiled budgeted spend at the end of December 2020, where no variance is forecast at yearend, are detailed in the table on the next page:

Service	Variance £	Explanation
Homelessness	(£705,907)	There was a roll forward of unspent Government grant funding at the end of 2019/20, plus funding of £280,000 received in advance for 2020/21. Spend continues against the grant however any unspent at the end of 2020/21 will be carried forward into future years.
Community Infrastructure Levy (CIL)	(£3,106,523)	CIL transactions are treated as a revenue income or expense in year, but any balance on the account at yearend is transferred to reserve.
Community Safety	(£36,893)	Rolled forward income from the previous financial year remains unspent and will be rolled forward again at the end of 2020/21 if still unspent at this time.
Marketing & Grants	(£23,398)	The third quarter payment to ECTC has not yet been made – this will be done in quarter four

- 3.5 The net revenue expenditure for this Committee at yearend is forecast to be £5,576,403. This reflects a forecast £74,500 underspend when compared to the approved budget. Explanations for the forecast yearend variances which make up this balance are detailed in the table below:

Service	Variance £	Explanation
Building Regulations	(£20,000)	Staff savings have been, to some degree, matched by a reduction in income due to the Covid-19 pandemic, however there remains an expectation that there will be an underspend at yearend.
Housing	(£33,500)	This reflects the non-use of the bed and breakfast budget during the first nine months of the year, however due to these unprecedented times, this may change if cases emerge in the final quarter of 2020/21.

Planning	£60,000	<p>The Planning department still continues to receive a high number of applications, however a significant number of them are householders, minor and discharge of condition applications which generate a smaller fee but still require a large amount of staff time to complete. The number of pre-application submissions received has also reduced and therefore fee income is down for this element of our work.</p> <p>There is currently an over-spend on agency workers fees, however, from the 1st December one of the agency workers joined the Council on a permanent basis, having been recruited to the vacant Senior Planning Officer position. This should therefore reduce agency fees in the final quarter of the year. To reflect all of the above, the forecast overspend has been increased to £60,000.</p>
Recycling	£18,000	<p>The MRF (Material Recycling Facility) contract was being reviewed at the time the budget was being set and a contingency built into the budget to cover the cost of the market premium. It is now forecast that the contingency amount will not be enough to cover the additional costs.</p>
Neighbourhood Panels	(£1,000)	<p>As a consequence of Covid-19 no neighbourhood panels have taken place so far this year.</p>
Community Projects and Grants	(£57,000)	<p>Saving from the decision to bring homelessness support, previously undertaken by the Rural Cambs Citizens Bureau, in-house to be funded from the Homelessness Grant provided by MHCLG.</p>

Customer Services	(£50,000)	The apprentice post remained vacant during the first eight months of the year, as a consequence of the Covid-19 situation. This and other staff savings result in the forecast overall saving as detailed.
Travellers Sites	£9,000	Maintenance and cleaning of the sludge tanks and pump pits are causing a cost pressure this year.

3.6 The revised capital budget for this Committee stands at £3,822,330; including £311,110 of slippage brought forward from 2019/20 and an additional £81,894 of DFG following an in-year allocation from Government. The latter has not yet been formally approved, but Finance and Assets Committee will be asked to do so at their meeting later in the month.

3.7 The current forecast is that the capital budget will be underspent by £2,655,950 at yearend, meaning the total expenditure for the year will be £1,166,380.

Project	Variance £	Explanation
Waste – Wheelie Bins	£40,000	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 of the Council, it is now felt appropriate that the cost be charged to the Council's capital budget.
Depot	(£845,950)	Depot improvements continue to be delayed as further costings are obtained to ensure best value for money is achieved.
Waste Vehicles	(1,850,000)	The purchase of new Waste vehicles, to replace those bought previously with Government grant and now reaching the end of their economic life, has been delayed while the Council awaits the announcement of the Government's new Waste Strategy and the impact of this on vehicle requirements and indeed if further grant funding becomes available.

4. FINANCIAL IMPLICATIONS/EQUALITY IMPACT ASSESSMENT

- 4.1 The current forecast is that the Committee's net revenue expenditure will come in £74,500 under budget at year-end.
- 4.2 An Equality Impact Assessment (INRA) is not required.
- 4.3 A Carbon Impact Assessment (CIA) is not required.

5. APPENDICES

- 5.1 Appendix 1 – Revenue budget monitoring report – 31st December 2020.
- 5.2 Appendix 2 – Capital budget monitoring report – 31st December 2020

<u>Background Documents</u>	<u>Location</u>	<u>Contact Officer</u>
Budget Monitoring Report Preparation Documents	Room 104 The Grange Ely	Ian Smith Finance Manager Tel: (01353) 616470 E-mail: ian.smith@eastcambs.gov.uk

							Appendix 1
OPERATIONAL SERVICES COMMITTEE BUDGET MONITORING REPORT - DECEMBER 2020							
	Total Budget 2020-21	Profiled Budget to 31st December 2020	Actual to 31st December 2020	Variance to date	Projected Outturn	Variance between Total Budget & Projected Outturn	Outturn Variance previous Quarter
Revenue	£	£		£	£	£	£
Building Regulations	27,520	20,640	15,302	(5,338)	7,520	(20,000)	(10,000)
CIL	(0)	6,000	(3,100,523)	(3,106,523)	-		
Civic Amenities Act	11,428	6,696	6,902	206	11,428		
Community Projects & Grants	221,578	101,118	121,178	20,060	164,578	(57,000)	(47,000)
Community Safety	50,834	26,172	(10,721)	(36,893)	50,834		
Cons.Area & Listed Buildings	60,578	45,434	45,711	277	60,578		
Customer Services	465,859	350,423	324,366	(26,057)	415,859	(50,000)	(25,000)
Dog Warden Scheme	34,512	25,946	20,925	(5,021)	34,512		
Ely Markets	(0)	-	(23,398)	(23,398)	-		
Emergency Planning	28,088	16,593	14,145	(2,448)	28,088		
Environmental Issues	90,260	58,695	55,944	(2,751)	90,260		
Health - Admin. & Misc.	407,059	303,022	293,319	(9,703)	407,059		
Homelessness	372,074	280,555	(425,352)	(705,907)	338,574	(33,500)	(22,500)
IT	801,156	644,392	622,500	(20,422)	801,156		
Licencing	(899)	(674)	(10,243)	(9,569)	(899)		
Marketing & Grants	66,345	50,064	41,417	(8,647)	66,345		
Neighbourhood Panels	1,500	1,125	-	(1,125)	500	(1,000)	
Nuisance Investigation	70,970	53,227	54,661	1,434	70,970		
Performance Management	10,400	7,800	-	(7,800)	10,400		
Pest Control	9,090	6,817	6,401	(416)	9,090		
Planning	(16,131)	(12,071)	49,528	61,599	43,869	60,000	37,000
Public Relations	75,172	56,379	48,804	(7,575)	75,172		
Refuge Recycling	952,785	714,589	719,075	4,486	952,785		
Refuse Collection	1,177,951	883,463	1,006,638	123,175	1,195,951	18,000	18,000
Renovation Grants	-	-	-	-	-		-
Street Cleansing	689,469	517,102	517,852	750	689,469		-
Street Naming & Numbering	7,896	5,922	(4,278)	(3,170)	7,896		-
Travellers Sites	(20,000)	(33,717)	21,540	55,257	(11,000)	9,000	-
Tree Preservation	55,409	32,905	30,525	(2,380)	55,409	-	-
Revenue Total	5,650,903	4,168,617	442,218	(3,717,899)	5,576,403	(74,500)	(49,500)

CAPITAL BUDGET MONITORING 2020/21

Capital	Published Budget 2020-21 £	Slippage from 2019-20 £	Approved Additions £	Revised Budget 2020-21 £	Actual at 31st December 2020 £	Forecast Outturn £	Variance between Revised Budget & Forecast Outturn £
Conservation Area Schemes - 2nd round		27,506		27,506		27,506	0
Refuse & Cleansing Vehicles	1,882,077			1,882,077		32,077	(1,850,000)
Waste - Wheeled Bins					35,144	40,000	40,000
Depot	745,950	100,000		845,950		0	(845,950)
Mandatory Disabled Facilities Grants	697,299	94,417	81,894	873,610	144,314	873,610	0
Empty Properties, Discretionary DFGs, Minor	75,000			75,000	17,203	75,000	0
Works, Home Repair Asst.	29,000	89,187		118,187		118,187	0
Vehicle Etc. Replacements					(188,038)	0	0
Leisure Centre							
Total	3,429,326	311,110	81,894	3,822,330	8,623	1,166,380	(2,655,950)

SOURCES OF FINANCING	Published Budget 2020-21 £	Slippage from 2019-20 £	Approved Additions £	Revised Budget 2020-21 £	Variances £	Forecast Outturn £
Grants / Contributions (DFG)	526,577		81,894	608,471		608,471
Revenue Contribution		89,187		89,187		89,187
Capital Receipts	245,722	94,417		340,139		340,139
Borrowing	2,628,027	100,000		2,728,027	(3,470,950)	(742,923)
Section 106 / CIL	29,000	27,506		56,506	815,000	871,506
Capital Funding Total	3,429,326	311,110	81,894	3,822,330	(2,655,950)	1,166,380