

TITLE: BUDGET OUTTURN REPORT

Committee: Resource and Finance Committee

Date: 18th June 2018

Author: Finance Manager

[T27]

1. ISSUE

1.1 This report provides Members of Committee with details of the final financial position of the Council for the 2017/18 financial year for both revenue and capital expenditure and the balance of reserves as at 31st March 2018.

2. RECOMMENDATION (S)

2.1 Members are requested to note that:

- The final revenue underspend across all the Council's services for the year was £898,883, this compared to its approved budget of £12,828,958.
- Capital spending in the year was £15,874,708, an underspend of £1,301,699 compared to the revised budget (£17,176,407).
- The Council had reserves of £11,510,056 at 31st March 2018.

2.2 Members are asked to approve the carry forward of slippage on the capital programme (as detailed in appendix 4) to allow 2017-18 schemes to be completed during 2018-19 and future years.

3. BACKGROUND / OPTIONS

Revenue

3.1 Appendices 1 to 3 detail the overall revenue position for the Council, based on the Committee structure, with then the Resources and Finance report consolidating the Committee figures and further detailing the sources of funding for the Council.

3.2 As we have now passed year end, Members are clearly not in a position to influence spend in the year and therefore the purpose of this report is to inform Members of the final position and allow them to review any variances on these budgets. In appendix 1 the budgets under the stewardship of this

Committee are shown in detail, with then the position for the other committees shown in summary.

- 3.3 The detailed revenue budget position for the other committees – the Regulatory Services Committee and the Community Services Committee – are shown in appendices 2 and 3.
- 3.4 Explanations for the larger variances (over £20,000) for all committees are detailed in the table below:

Service	Variance £	Explanation
Resources and Finance		
Transfer to Corporate Reserves	1,095,806	The Council has received a significant amount of additional income in relation to Business Rates as a consequence of the Cambridgeshire Deal (now finished). This income has been moved to reserve for use in future years
Interest and Charges	(103,216)	Higher interest receipts from the loan to East Cambs Trading Company (ECTC) and the loan pool more generally as a consequence of higher cash balances than anticipated
Miscellaneous Financial Services	20,730	Transfer to Change Management reserve for costs of change of the Tourist Information Centre
Miscellaneous Properties	(30,184)	Unbudgeted income from ECTC for Ely Market Place
The Grange – Office Accommodation	43,256	Overspend against staff costs and property maintenance counteracted to some degree, by unbudgeted income from the Combined Authority
Economic Development	(35,620)	Staff vacancies and reduced utility costs at East Space North have contributed to this underspend
Corporate Management	(76,139)	Savings on salaries within Management Team with the Director of Resources post being discontinued and there was no requirement to pay the Combined Authority any revenue funding that had been budgeted for
Payroll	45,291	The in-housing of Waste at the same time as implementing the new payroll system resulted in the need for additional support and programming during the implementation phase

Housing Benefits	(51,225)	ARP underspent during 2017/18 mainly as a consequence of additional work being undertaken by the enforcement team
Council Tax Accounting	(37,157)	Court costs recovered in relation to Council Tax were more than the court costs incurred
Strategic Housing Services	(44,583)	Staff and consultancy costs on Infrastructure & Strategy and the Local Plan preparation were lower than anticipated
Legal	(56,658)	Reduced cost of consultants during 2017/18 as a consequence of higher levels of permanent staff
Regulatory Services		
Health Admin & Misc.	(21,178)	Savings on staff vacancies less payments made to consultants to cover roles
Environmental Issues	(51,971)	Additional work by the Home Improvement Agency has resulted in an increase in fees, while there were no environmental grants issued in 2017/18
Land Charges Admin	(39,379)	Additional work in this area resulted in additional income when compared to the budget
Licensing	(40,213)	Additional income due to premises licences and joint driver fees
Planning	(205,772)	Additional income from planning applications, reduced by the use of more consultants / Agency workers / Counsel fees / Advertisements / training
Refuse Recycling	(160,952)	The costs of the contract with Veolia have been allocated between collection and recycling in different percentages than budgeted (see below) Plus costs of material being processed by the AmeyCespa (East) MRF were less than budgeted, staff vacancies within the in-house team created a saving and greater income than budgeted has been received from providing residents with an additional green bin
Refuse Collection	61,142	The costs of the contract with Veolia have been allocated between collection and recycling in different

		percentages than budgeted (see above)
Street Cleansing	(29,478)	Staff vacancies in the in-house team
Homelessness	(43,412)	No use of and therefore costs in relation to hotel rooms due to more efficient use of voids and hostels. This budget needs to be retained to provide contingency for any impact on homelessness as a consequence of the introduction of Universal Credit or the Homelessness Reduction Act
Community Services		
Parks & Gardens Team	55,062	Revised contract arrangements following the transfer of the service to ECTC
Paradise Pool	(31,925)	No compensation was paid to the operator of the pool as it remained open throughout the year
Parking of Vehicles	24,860	Additional cost of car parks in the year, including the purchase of a new ticket machine
Sport & Recreation	(94,858)	Insurance pay-out for Mepal Outdoor Centre following the break-in, with in addition, reduced grants awarded sports centre projects

Capital

- 3.5 Spend on Capital projects is detailed in appendix 4; this shows an underspend of £1,301,699 against the revised budget. The main reasons for the underspend were in relation to the East Cambs Trading Company, where the value of the loan given to the Trading Company was much less than that forecast earlier in the year; this as a consequence of the revised cash flow within the Company
- 3.6 Spend on the Leisure Centre was ahead of that previously forecast, and resulted in the Centre being opened early in the 2018/19 financial year. While showing as an apparent overspend, there is funding in 2018/19 for the Leisure Centre and this amount will therefore be reduced to reflect the amount spent in previous years.
- 3.7 These over and underspends therefore need to be carried forward to fund the completion of the projects in future years. The final column in Appendix 4 details the required carried forward amounts for each capital project and Committee is asked to approve these amounts to be carried forward into 2018-19.

Reserves

- 3.8 The total value of Revenue Reserves held by the Council at 31st March 2018 was £11,510,056. This is an increase of £757,338 compared to the value held at the 31st March 2017.
- 3.9 The main reason for this increase is the transfer of additional income from the Cambridgeshire NNDR Deal to reserve. The amount for 2016/17 and 2017/18 were both higher than expected. It should be noted however that the Deal ended on 31st March 2018, so this is one off money, which the Council will not be getting moving forward.
- 3.10 The Surplus Savings reserve also increased during the year, mainly as a consequence of the revenue underspend detailed earlier in this report. The Surplus Savings Reserve had a balance of £5,658,785 at yearend and this will be used when building the budget in the autumn to provide additional funding in the earlier years of the Medium Term Financial Strategy.

4 ARGUMENTS / CONCLUSIONS

- 4.1 The final reported net revenue expenditure for the Council was £12,930,488 in 2017/18; with total funding being £13,829,371 this resulted in a net revenue surplus of 898,883 which has been transferred to “Surplus Savings Reserve”.

5 FINANCIAL IMPLICATIONS / EQUALITY IMPACT ASSESSMENT

- 5.1 This whole report relates to the financial position of the Council.
- 5.2 Equality Impact Assessment (INRA) not required.

6 APPENDICES

- 6.1 Appendix 1 – Resources and Finance Outturn Report for 2017/18
Appendix 2 – Regulatory Services Outturn Report 2017/18
Appendix 3 – Community Services Outturn Report 2017/18
Appendix 4 – Capital Programme Outturn Report 2017/18
Appendix 5 – Reserves Statement at 31st March 2018

<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 (01353) 616470 E-mail: ian.smith@eastcambs.gov.uk