
FINANCE REPORT

Committee: Resources and Finance Committee

Date: 28 January 2019

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[T192]

1. **ISSUE**

- 1.1 This report provides Members with budget monitoring information for services under the Resources and Finance 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:

- This Committee has a projected yearend revenue underspend of £280,000 compared to its approved budget of £5,334,176.
- That overall the Council has a projected yearend revenue underspend of £433,500 compared to its approved budget of £13,099,778.
- This Committee has a projected yearend capital spend of £302,444 compared to its revised budget of £6,632,444.
- That the overall position for the Council on Capital is a projected outturn of £4,324,570, which is an under spend of £7,038,982.

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 third report for the 2018-19 financial year and details actual expenditure incurred as at 31st December 2018 and projections as to the yearend position at this time.
- 3.3 Appendix 1 details the 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 other policy committees shown in summary.

- 3.4 The detailed revenue budget position for the other committees – namely the Regulatory Services and the Community Services – are shown in appendices 2 and 3. A report explaining the variances for the Regulatory Committee in more detail was presented to that Committee on the 21st January, with a similar report for Community Services being presented to that Committee on the 15th January.
- 3.5 In summary however, the Regulatory Services Committee is currently predicted to have a yearend underspend of £140,000. This is a combination of underspends on a number of service lines; Land Charges and Building Regulations have each secured greater income in the first nine months of the year than budgeted, while there are underspends on expenditure in Homelessness, Health & Safety and Environmental Health.
- 3.6 Community Services is forecast to have a net underspend of £13,500, this in relation to an underspend on Emergency Planning, but then a small overspend on Oliver Cromwell House, where some 2017-18 costs have needed to be charged against this year's budget.
- 3.7 With regard to Resources and Finance Committee, the one significant variance of actual spend compared to profiled budgeted spend at the end of December 2018 is detailed below:

Service	Explanation
CIL	CIL is treated as a revenue income and so appears as a credit on the monitoring report when received. However, any amounts not allocated to schemes in year are transferred to a reserve account at yearend.

- 3.8 Explanations for the forecast yearend variances reported for this Committee are detailed in the below table:

Service	Variance £	Explanation
Interest & Fin. Transactions	(30,000)	We have received more interest than initially budgeted for. This, in part, relates 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.
Miscellaneous Finance	(20,000)	The Council has remained external debt free for the first nine months of the year and so will make a saving on the budgeted cost of interest payments on this.

Asset Management	(40,000)	Plans to consider options for The Grange, including a potential relocation, have been delayed and the feasibility study will not now take place during 2018-19.
Corporate Management	(88,000)	Additional income from the Combined Authority in relation to the secondment of senior officers.
Customer Service	(25,000)	Savings due to staff vacancies as a consequence of staff either leaving or being seconded to other sections of the Council.
Housing Benefits	24,000	The budget for Housing Benefits was built using information as at August 2017 (the most up to date information at the time). Since then further information has become available (August 2018 figures) and the forecast adjusted to reflect these.
IT	(25,000)	A forecast overspend was reported in the previous monitoring report, however we no longer need to replace the scanners this year so the hardware budget will no longer be overspent. Further, as a consequence of staff vacancies during and after the IT restructure, a £25,000 underspend is now reported on staff costs.
Strategic Housing Services	(43,500)	Staff saving in the first nine months of this year as a consequence of a vacancy. We are currently looking at a SLA for the final quarter of the year.
Legal	(28,000)	Recruitment of staff has been delayed in the Legal team until late January. Interviews will take place and staff will hopefully be in place soon after this.
Reprographics	(4,500)	Saving on staff costs.
Total	(280,000)	

Capital

- 3.9 The Council's capital programme for 2018-19 has now had the slippage from 2017-18 applied, this has resulted in a total capital programme budget for the year of £11,363,552.
- 3.10 It is currently expected that the Council will underspend this revised budget by £7,038,982. This relates to an overspend on the Community Services budget, specifically relating to the Leisure Centre and underspends on depot costs (Regulatory Services), the loan to ECTC (Community Services) and Soham Eastern Gateway (this Committee).

- 3.11 This Committee's underspend of £6,330,000 relates to the delay in the implementation of Soham Eastern Gateway project. This will not now take place in 2018-19, although the funding will need to be carried forward to future years, when it is still expected to go ahead.
- 3.12 There is an overspend on the Leisure Centre when compared to the revised budget. It is forecast that the Leisure Centre will cost an extra 346,807 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, forecast to be £120,161, 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 Both the reported underspends in relation to the depot and the loan to ECTC relate to slippage on these schemes. It remains the expectation that the full funding will be used, but will not now be required in 2018-19.

4 ARGUMENTS / CONCLUSIONS

- 4.1 The projected net revenue expenditure for the Council is forecast to be £12,666,278 in 2018-19. This is an underspend of £433,500 compared to the Council's approved budget.
- 4.2 The projected Capital Outturn for the Council stands at £4,324,570. This reflects an underspend of £7,038,982 when compared to the revised budget.

5 FINANCIAL IMPLICATIONS/EQUALITY IMPACT ASSESSMENT

- 5.1 There is a forecast revenue underspend of £433,500 compared to the Council's approved budget, all things being equal, this will be transferred to the Surplus Savings Reserve at yearend and has been accounted for in the Budget report also included on the agenda for this meeting
- 5.2 Equality Impact Assessment (INRA) not required

6 APPENDICES

- 6.1 Appendix 1 – Summary Budget Monitoring – December 2018
Appendix 2 – Regulatory Services Budget Monitoring – December 2018
Appendix 3 – Community Services Budget Monitoring – December 2018
Appendix 4 – Summary Capital Programme – December 2018

Background Documents

Council Budget as approved by
Council 22nd February 2018

Location

Room 104
The Grange
Ely

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