
FINANCE REPORT

Committee: Resources and Finance Committee

Date: 29th January 2018

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[S220]

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:

- Note that this Committee has a projected yearend underspend of £140,000 compared to its approved revenue budget of £5,550,676.
- Note that overall the Council has a projected yearend underspend of £589,000 compared to its approved revenue budget of £12,828,958.
- Note that this Committee currently has two capital projects linked to it, the Internet, HR and Payroll system and IT at the depot, both are forecast to come in on budget.
- Note that the overall position for the Council on Capital is a projected outturn of £17,809,066.

- 2.3 Members are asked to approve the write-off of a £15,697.70 Housing Benefit overpayment.

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 2017-18 financial year and details actual expenditure incurred as at 31st December 2017 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 other 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. Reports explaining these variances in more detail have been / will be presented to these committees. Papers were presented to Regulatory Committee on the 22nd January and will be presented to Community Services Committee on the 14th March.
- 3.5 In summary however, the Regulatory Services Committee is currently predicting a yearend underspend of £430,000. This is made up of a number of items, the most significant being a forecast underspend on Planning of £300,000, due to increased fees from an increased number of planning applications. The remaining amount of £130,000 includes additional income from Building Regulations (£5,000); a saving of £50,000 due to the reduced paper recycling in the year, salary savings in the Housing and Environmental Health Teams (£20,000), saving on the non-use of hotel rooms by the Homelessness Team (£30,000) and the on-going work with subletting void rooms to other Local Authorities (£15,000).
- 3.6 There is projected to be an underspend of £15,000 in relation to the Community Services Committee; this is in relation to anticipated additional income on Marketing and Grants and Oliver Cromwell House.
- 3.7 The significant variances of actual spend compared to profiled budgeted spend at the end of December 2017 are listed on the following page:

Service	Explanation
Economic Development	Recruitment to the new post, to be funded from the additional resources received as part of the Cambridgeshire's Business Rates deal, has proved difficult, any funding not used will therefore be returned to the reserve account at the end of the year, and used in future years.
Asset Management	While this budget is held and controlled centrally, costs are charged to the relevant budget area, with then the budget moved to match expenditure at the end of the year.
Democratic Services	External funding received to cover the cost of non-district council elections will be matched to expenditure incurred at year end.

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

Service	Variance £	Explanation
Interest	(50,000)	Additional interest receipts as a consequence of additional lending to ECTC.
Miscellaneous Properties	(28,000)	Income relating to the lease of the Market Square by the Trading Company. (This was not budgeted for in the 2017-18 budget.)
Corporate Management	(50,000)	Projected savings on staff costs, mainly from the Corporate Management restructure undertaken in Spring 2017
Housing Benefit	(2,000)	The budget was built based on the mid-year Government return (Autumn 2016); the most recent information available at the time. The Autumn 2017 Housing Benefits return to Central Government now provides us with the most recent information we have and as such, the outturn has been changed to reflect the level of expenditure and associated grants anticipated in this.
Legal	(5,000)	Staff savings in relation to vacancies within the Legal Team
Customer Services	(5,000)	Staff savings in relation to a vacancy in Customer Services
Total	(140,000)	
Internal Drainage Board	(4,000)	All levies have now been paid for 2017-18 and they have come in slightly lower than forecast when the budget was built.

Capital

- 3.9 The Council's capital programme is currently expected to overspend the budget by £632,659. This mostly relates to the forecast that East Cambs Trading Company will require the full £5 million that the Council has agreed to loan it, in this financial year. It however remains the expectation that this £5 million cap will not be exceeded in this or future years.
- 3.10 It is also expected that there will be slippage on the Disability Facilities Grant budget, where schemes will be committed, but not completed, in this financial year. In these cases, funding will need to be carried forward to undertake the work in 2018-19.
- 3.11 The additional loan to the Company, coupled with the additional capital built into the budget late in the build process for the Waste vehicles, does now mean that the Council may need to borrow externally this financial year. This situation continues to be monitored closely.

Housing Benefit Write-off

- 3.12 Committee is required to approve write-offs of over £10,000 in relation to Housing Benefits overpayments.
- 3.13 Committee is therefore asked to approve the write-off of £15,697.70. This overpayment relates to overpayments made in the 2013-14 financial year. Recovery was being actioned and the claimant was paying £60 per month by direct debit reducing the amount outstanding, this until he passed away in October 2017.
- 3.14 In these circumstances, it is believed that there is no opportunity to recover the outstanding amount and Committee is therefore asked to approve the write-off.

4 ARGUMENTS / CONCLUSIONS

- 4.1 The projected net revenue expenditure for the Council is forecast to be £12,239,958 in 2017/18. This would give an underspend of £589,000 compared to the Council's approved budget.
- 4.2 The projected Capital Outturn for the Council stands at £17,809,066. This reflects an overspend of £632,659 when compared to the budget.

5 FINANCIAL IMPLICATIONS/EQUALITY IMPACT ASSESSMENT

- 5.1 There is a revenue underspend of £589,000 compared to this Council's approved budget, all things being equal, this will be transferred to the Surplus Savings Reserve at yearend.
- 5.2 The Council may need to borrow externally before the end of the financial year; this is being closely monitored and borrowing will only take place if the cash position of the Council requires this.
- 5.3 Equality Impact Assessment (INRA) not required.

6 APPENDICES

- 6.1 Appendix 1 – Summary Budget Monitoring – December 2017
Appendix 2 – Regulatory Services Budget Monitoring – December 2017
Appendix 3 – Community Services Budget Monitoring – December 2017
Appendix 4 – Summary Capital Programme – December 2017

Background Documents
Council Budget as approved by
Council 23rd February 2017

Location
Room 104
The Grange
Ely

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