

---

**BUDGET MONITORING REPORT**

Committee: Resources and Finance Committee

Date: 29<sup>th</sup> November 2018

Author: Finance Manager

[T141]

---

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 £175,500 compared to its approved budget of £5,334,176.
- That overall the Council has a projected yearend revenue underspend of £325,500 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 £5,498,756, which is an underspend of £5,864,796.

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 second report for the 2018-19 financial year and details actual expenditure incurred as at 30<sup>th</sup> September 2018 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 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 5<sup>th</sup> November.
- 3.5 In summary however, the Regulatory Services Committee is currently predicting a yearend underspend of £135,000. This is a combination of underspends on a number of service lines; Planning, Land Charges and Building Regulations have each secured greater income in the first six months of the year than budgeted, while there are underspends on expenditure in Homelessness and Health & Safety.
- 3.6 Community Services is forecasting an underspend of £15,000, this in relation to Emergency Planning.
- 3.7 With regard to Resources and Finance Committee, the significant variances of actual spend compared to profiled budgeted spend at the end of September 2018 are detailed below:

Service	Explanation
Asset Management	While this budget is held and controlled centrally, costs are charged to the relevant service area, with then the budget moved to match expenditure at the end of the year.
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	(20,000)	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 six months of the year and so will make a saving on the projected 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.
Housing Benefits	14,000	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	30,000	As a consequence of the upgrade to Windows 10 we will need to replace 8 scanners across the Council where the previous version is no longer compatible with the up-graded software. This was unforeseen and therefore, no budget provision was made and will therefore result in IT overspending during 2018-19.
Strategic Housing Services	(29,000)	Staff Savings in the first half of this year as a consequence of a staff vacancy. Further savings may be realised in the third quarter.
Legal	(18,000)	Recruitment of staff has been delayed in the legal team. Interviews will happen shortly and staff will hopefully be in place soon after this.
Reprographics	(4,500)	Saving on staff costs.
<b>Total</b>	<b>(175,500)</b>	

## 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 of £11,363,552.
- 3.10 It is currently expected that the Council will underspend this revised budget by £5,864.796. This relates to an overspend on the Community Services budget, specifically relating to the Leisure Centre and an underspend on this Committee on the Soham Eastern Gateway.
- 3.11 The Committee 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, now forecast to be £118,397, will be recovered from the operator as part of the management fee, so again, will not impact on the Council's budget position.

#### 4 ARGUMENTS / CONCLUSIONS

- 4.1 The projected net revenue expenditure for the Council is forecast to be £12,774,278 in 2018-19. This is an underspend of £325,500 compared to the Council's approved budget.
- 4.2 The projected Capital Outturn for the Council stands at £5,498,756. This reflects an underspend of £5,864,796 when compared to the revised budget.

#### 5 FINANCIAL IMPLICATIONS/EQUALITY IMPACT ASSESSMENT

- 5.1 There is a revenue underspend of £325,500 compared to this Council's approved budget, all things being equal, this will be transferred to the Surplus Savings Reserve at yearend.
- 5.2 Equality Impact Assessment (INRA) not required

#### 6 APPENDICES

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

---

##### Background Documents

Council Budget as approved by  
Council 22<sup>nd</sup> February 2018

##### Location

Room 104  
The Grange  
Ely

##### Contact Officer

Ian Smith  
Finance Manager  
Tel: (01353) 616470  
E-mail: [ian.smith@eastcambs.gov.uk](mailto:ian.smith@eastcambs.gov.uk)