
FINANCE REPORT

Committee: Finance & Assets Committee

Date: 4 October 2022

Author: Director, Finance

[X67]

1. ISSUE

- 1.1 This report provides Members with budget monitoring information for services under the Finance & Assets Committee and then, as part of its corporate remit, for the Council as a whole.

2. RECOMMENDATION (S)

2.1 Members are requested:

2.2 to approve additions to the 2022/23 budget in relation to slippages from 2021/22, this to the value of £827,964 as detailed in paragraphs 3.8 and 3.9 and appendix 3.

2.3 to note:

- this Committee has a projected yearend overspend of £263,400 when compared to its approved revenue budget of £5,607,728.
- that overall the Council has a projected yearend overspend of £106,400 when compared to its approved revenue budget of £15,044,174.
- that the overall position for the Council on Capital is a projected outturn of £8,839,680, this is an underspend of £1,995,321 when compared to the revised budget.

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 first report for the 2022/23 financial year and details actual expenditure incurred and income received as at 30th June 2022 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 Operational Services Committee and the funding lines shown in summary.

- 3.4 The detailed revenue position for the Operational Services Committee is shown in appendix 2. There are three forecast variations being reported at this time, with the net position being that the Committee is forecast to come in £140,000 underspent when compared to its net budget.
- 3.5 With regard to the Finance & Assets Committee, the significant variances of actual spend compared to profiled budgeted spend at the end of June 2022, where no variance is forecast for yearend, are detailed below:

Service	Variance £	Explanation
Corporate Management	£131,050	Accruals from 2021/22 remain especially in relation to external audit costs
Cost of other Elections	(£53,452)	Roll over of income from previous years to fund future elections
Financial Services	(£22,221)	Accruals from 2021/22 remain unpaid as at the end of June and there is a small underspend due to a staff vacancy, although the post has now been filled
General Gang	(£12,002)	There is an underspend in quarter one due to a vacancy in the Team.
Housing Strategy	(£69,781)	Roll forward of CPCA income into 2022/23
HR	(£12,870)	Training is behind the expected profile for 2022/23
Local Plans	(£88,807)	Roll forward of previous year grants.
Management Team	(£53,170)	The invoice for seconded staff was issued for the whole year, when the profile assumed this would be raised quarterly
Member & Committee Support	(£21,103)	An underspend on staffing in the first quarter, but as a restructuring of the team is being considered, it is not clear if this will be maintained until yearend
Mepal Outdoor Centre	(£31,398)	The Business Rates for Mepal Outdoor Centre remain unpaid as we have challenged the charge following the demolition of the buildings

Registration of Electors	(£37,149)	Roll over of income from 2021/22 to work in 2022/23
COVID-19	(£1,658,623)	This relates to ringfenced Government grants that have been received and will be either forwarded on to businesses or spent in 2022/23

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

Service	Variance £	Explanation
Additional Staff Costs	£350,000	The local government pay award has not been determined yet, but indications suggest that it will be significantly in excess of the 2% that we built into the budget. Clearly when the increase is agreed and paid to staff, this will show on individual budget lines, so this is shown in this way as an interim measure to ensure that its accounted for in this report. This includes NI & Pension additional contributions. The current offer from the employer is £1,925 on every spinal point.
Council Tax	12,700	The current underspend relates to the Government grant to provide the discretionary element of the Council Tax Energy Rebate, this will be paid out to residents before the end of September. The yearend overspend is due to ARP undertaking a data cleanse on the Council Tax database, the cost of this will be charged to the Council via the partnership management fee at yearend
Economic Development	(£40,000)	Occupancy at the e-space centres was in advance of the level projected in the budget during the first quarter of 2021/22. The on-going position will be closely monitored in the coming months
Housing Benefits	(£55,000)	The budget was built using 2021/22 figures (the latest available at the time), with the revised forecast now reflecting the forecast 2022/23 position.
Interest & Financial Transactions	(£5,000)	Interest rates on treasury deposits have improved significantly during the first quarter of the year.

Land Charges Admin	(£20,000)	Increased income over the first quarter, this forecast is based on income received so far
Parks & Open Spaces	£70,000	There was some confusion over the transfer of the Trees Officer post when this moved to POS, and it appears that this was not correctly budgeted for
Payroll	£20,000	Revised I-trent contract payments in relation to the new contract were made in the first quarter
Data Management	(£2,000)	This is a saving made from a vacancy in the first quarter
Reprographics	(£3,000)	The first quarter of this year has generated an increase in income. This is a prudent estimate, and will be revised in the coming months
Sport & Recreation	(£70,000)	The Sports Facility Funding Reserve was fully funded in 2021/22 therefore this budget is not needed in 2022-23
Toilets	£3,000	The has been an increase in utility costs at our toilets in the first quarter
Internal Drainage Board	(£17,000)	The Council's budget was set before the individual IDBs set theirs and the estimate made has proved to be slighted above what was needed

Capital

- 3.7 The Council's capital programme for 2022/23 (appendix 3) has had £827,964 slippage from 2021/22 applied. Committee is asked to approve the carry forward of this slippage as it relates to underspends in 2021/22 caused by timing issues, as opposed to genuine underspends on schemes. This funding is therefore needed in 2022/23 in order to fund the expenditure that is still expected to be incurred.
- 3.8 The £827,964 funding to be carried forward relates to a number of schemes; the main three being;
- disabled facilities grant (where there is a time delay between funding being allocated to schemes and the actual work being undertaken, this was particularly the case over the previous two years because of the pandemic, resulting in a large backlog of schemes needing to be completed this year),
 - the purchase of land in Ely from the Environment Agency which is now expected to take place later this year and

- the loan facility made available to the East Cambs Community Land Trust, which will again be used this year.

3.9 The new loan facility approved by Council on the 21st April 2022 is now shown within the overall capital budget. While the full loan facility approved was for £7.5 million, the profile of borrowing expected that £5.6 million of this would be needed in 2022/23 and this value has been shown against this year, with the other amounts in future years as will be detailed in the MTFs.

3.10 The revised capital programme for the Council is therefore £10,835,001, with the outturn position forecast to be £8,839,680. The main variance being the expectation that due to the delays between ordering and delivery, it is now considered unlikely that the Waste vehicles will be operational before the 31st March 2023.

4 ARGUMENTS / CONCLUSIONS

4.1 The projected net revenue expenditure for the Council is forecast to be £15,044,174 in 2022/23. This would be an overspend of £106,400 compared to the Council's approved budget.

4.2 The projected Capital Outturn for the Council stands at £8,839,680.

5 FINANCIAL IMPLICATIONS / EQUALITY AND CARBON IMPACT ASSESSMENTS

5.1 There is a revenue underspend of £106,400 compared to this Council's approved budget, all things being equal, this will be recovered from the Surplus Savings Reserve at yearend.

5.2 Equality Impact Assessment (INRA) not required.

5.3 Carbon Impact Assessment (CIA) not required.

6 APPENDICES

- 6.1 Appendix 1 – Summary Budget Monitoring – June 2022
 Appendix 2 – Operational Services Budget Monitoring – June 2022
 Appendix 3 – Capital Budget Monitoring – June 2022
 Appendix 4 – Reserve Balances – June 2022

<u>Background Documents</u>	<u>Location</u>	<u>Contact Officer</u>
Council Budget as approved by Council February 2022	Room 104 The Grange Ely	Ian Smith Director, Finance Tel: (01353) 616470 E-mail: ian.smith@eastcambs.gov.uk

FINANCE & ASSETS COMMITTEE BUDGET MONITORING REPORT - 30th June 2022

	Total Budget 2022-23	Profiled Budget to 30 June 2022	Actual to 30 June 2022	Variance	Projected Outturn	Variance between Total Budget & Projected Outturn
Revenue	£		£	£	£	£
Asset Management	141,918	--	--	--	141,918	
Award Ditches	9,276	2,319	240	(2,079)	9,276	
Civic Relations	22,448	5,612	3,655	(1,957)	22,448	
Closed Churchyards	30,558	7,640	8,876	1,236	30,558	
Community Safety	--	--	--	--	--	
Community Transport	15,000	--	--	--	15,000	
Corporate Management	159,973	24,317	(106,733)	(131,050)	159,973	
Cost of Other Elections	--	--	(53,452)	(53,452)	--	
Council Tax Accounting	423,264	56,225	(54,519)	(110,744)	435,964	12,700
Crematorium	--	--	2,629	2,629	2,700	2,700
Data Management	96,167	24,040	20,764	(3,276)	94,167	(2,000)
Depot Services	(67,626)	(16,907)	(16,575)	332	(67,626)	
Economic Development	43,430	26,899	(59,190)	(86,089)	3,430	(40,000)
Financial Services	365,772	88,840	66,619	(22,221)	365,772	
General Gang	87,128	21,780	9,778	(12,002)	87,128	
Health & Safety (Work)	22,857	5,714	112	(5,602)	22,857	
Housing Benefits	364,917	91,229	(404,955)	(496,184)	309,917	(55,000)
Housing Strategic	274,130	81,418	11,637	(69,781)	274,130	
Human Resources	222,112	59,267	46,397	(12,870)	222,112	
Interest & Financial Transactions	(81,594)	(27,070)	(46,689)	(19,619)	(86,594)	(5,000)
Internal Audit	74,278	--	--	--	74,278	
Land Charges Admin	(36,498)	(9,474)	(38,074)	(28,600)	(56,498)	(20,000)
Legal	254,869	62,746	66,469	3,723	254,869	
Local Elections	22,500	--	3,771	3,771	22,500	
Local Plans	95,000	23,750	(65,057)	(88,807)	95,000	
Management Team	418,878	103,078	49,908	(53,170)	418,878	
Member & Committee Support	562,984	140,258	119,155	(21,103)	562,984	--
Mepal Outdoor Centre	34,272	34,272	2,374	(31,898)	34,272	
Miscellaneous Properties	(45,940)	(11,525)	(12,066)	(541)	(45,940)	
Miscellaneous Finance	715,692	3,986	4,673	687	715,692	
Museums - Old Gaol House	--	--	--	--	--	
NNDR Collection Costs	45,264	35,979	33,909	(2,070)	45,264	
Office Accomodation	382,402	164,538	169,887	5,349	382,402	
Oliver Cromwell House	--	--	--	--	--	
Out Of Hours call out Service	15,000	3,750	1,533	(2,217)	15,000	
Parking Of Vehicles	61,276	96,846	105,810	8,964	61,276	
Parks And Gardens Team	330,499	94,700	125,984	31,284	400,499	70,000
Payroll	77,231	19,308	47,997	28,689	97,231	20,000
Public Conveniences	147,830	38,528	43,732	5,204	150,830	3,000
Refuse Collection	--	--	7,428	7,428	--	
Registration of Electors	51,721	8,142	(29,007)	(37,149)	51,721	
Reprographics	139,032	33,816	28,210	(5,606)	136,032	(3,000)
Sport & Recreation	131,708	15,389	(25,434)	(40,823)	61,708	(70,000)
Additional Staff Costs			--	--	350,000	350,000
Covid 19			(1,658,623)	(1,658,623)	--	--
Finance & Assets Committee Total	5,607,728	1,309,410	(1,588,827)	(2,898,237)	5,871,128	263,400
Operational Services Committee	5,802,153	1,331,867	(1,611,999)	(2,943,866)	5,662,153	(140,000)
Other Spend						
Parish Precepts	2,739,806	1,369,903	1,369,903	--	2,739,806	--
Internal Drainage Boards	571,955	285,977	272,701	(13,276)	554,955	(17,000)
Movement in Corporate Reserves	216,132	--	--	--	216,132	
Revenue Budget Total	14,937,774	4,297,157	(1,558,222)	(5,855,379)	15,044,174	106,400
Funding						
Council Tax	(7,407,208)	(1,071,626)	--	1,071,626	(7,407,208)	--
Revenue Support Grant	(12,579)	--	(3,396)	(3,396)	(12,579)	--
Business Rates	(4,731,390)	(2,005,230)	(269,196)	1,736,034	(4,731,390)	--
Other Government Grants (NHB / RSG etc.)	(1,565,034)	(113,103)	(433,652)	(320,549)	(1,565,034)	--
Budgeted draw from Surplus Savings Reserve	(1,221,563)	--	--	--	(1,221,563)	--
	(14,937,774)	(3,189,959)	(706,244)	2,483,715	(14,937,774)	--
Revenue Total	--	1,107,198	(2,264,466)	(3,371,664)	106,400	106,400

OPERATIONAL SERVICES COMMITTEE BUDGET MONITORING REPORT - JUNE 2022

Revenue	Total Budget 2022-23	Profiled Budget to 30 June 2022	Actual to 30 June 2022	Variance	Forecast Outturn	Variance between Total Budget & Projected Outturn
	£	£	£	£	£	£
Building Regulations	30,900	7,725	(20,007)	(27,732)	5,900	(25,000)
CIL	-.-	-.-	(2,228,147)	(2,228,147)	-.-	
Civic Amenities Act	9,828	2,457	2,370	(87)	9,828	
Climate Change	100,000	25,000	32,537	7,537	100,000	
Community Projects & Grants	189,099	36,497	33,542	(2,955)	189,099	
Community Safety	57,661	(4,495)	(28,855)	(24,360)	57,661	
Cons.Area & Listed Buildings	64,569	16,142	17,039	897	64,569	
Customer Services	493,405	127,278	95,926	(31,352)	478,405	(15,000)
Dog Warden Scheme	36,022	8,943	8,244	(699)	36,022	
Ely Markets	-.-	-.-	-.-	-.-	-.-	
Emergency Planning	28,665	1,925	7,411	5,486	28,665	
Environmental Issues	146,705	30,935	18,531	(12,404)	146,705	
Health - Admin. & Misc.	423,589	103,456	(42,249)	(145,705)	423,589	
Homelessness	377,911	(141,149)	(829,536)	(688,387)	377,911	
IT	872,889	346,937	343,332	(3,605)	872,889	
Leisure Centre	(471,469)	250	413,204	412,954	(471,469)	
Licencing	11,835	2,734	9,204	6,470	11,835	
Marketing & Grants	73,229	49,222	30,455	(18,767)	73,229	
National Practitioner Support Programme	-.-	-.-	-.-	-.-	-.-	
Neighbourhood Panels	1,500	-.-	45	45	1,500	
Nuisance Investigation	80,306	20,077	19,965	(112)	80,306	
Performance Management	10,400	-.-	-.-	-.-	10,400	
Pest Control	9,866	2,467	2,364	(103)	9,866	
Planning	144,837	35,653	(154,628)	(190,281)	44,837	(100,000)
Public Relations	102,779	25,695	24,767	(928)	102,779	
Refuge Recycling	1,051,426	155,163	153,184	(1,979)	1,051,426	
Refuse Collection	1,237,556	309,389	291,844	(17,545)	1,237,556	
Renovation Grants	-.-	-.-	-.-	-.-	-.-	
Street Cleansing	724,356	181,089	181,254	165	724,356	
Street Naming & Numbering	16,289	4,072	(5,247)	(9,319)	16,289	
Travellers Sites	(22,000)	(15,595)	11,452	27,047	(22,000)	
Tree Preservation	-.-	-.-	-.-	-.-	-.-	
Revenue Total	5,802,153	1,331,867	(1,611,999)	(2,943,866)	5,662,153	(140,000)

CAPITAL BUDGET MONITORING 2022/23

Capital	Published Budget 2022-23 £	Slippage from 2021-22 £	Approved Additions £	Revised Budget 2022-23 £	Actual at 30th June 2022 £	Forecast Outturn £	Variance between Revised Budget & Forecast £
OPERATIONAL SERVICES							
Conservation Area Schemes - 2nd round		27,506		27,506		27,506	0
Refuse & Cleansing Vehicles	2,000,000			2,000,000		0	(2,000,000)
Waste - Wheelied Bins	40,000			40,000	14,786	40,000	0
Mandatory Disabled Facilities Grants	1,347,087	166,008		1,513,095	74,029	1,513,095	0
Empty Properties, Discretionary DFGs, Minor Works, Home Repair Asst.	75,000			75,000	19,204	75,000	0
Vehicle Etc. Replacements	29,000	21,250		50,250	133,979	133,979	83,729
Leisure Centre				0		0	0
Operational Services Total	3,491,087	214,764	0	3,705,851	241,998	1,789,580	(1,916,271)
FINANCE & ASSETS							
E-Space North, Solar Panels	50,000			50,000		50,000	0
Depot	825,950	20,000		845,950	37,447	845,950	0
A14 Contribution	40,000	40,000		80,000		80,000	0
Extension to Ely Country Park		163,200		163,200		163,200	0
Loan to EC CLT		390,000		390,000	68,700	310,950	(79,050)
New Loan Agreement with ECTC			5,600,000	5,600,000		5,600,000	0
Finance & Assets Total	915,950	613,200	5,600,000	7,129,150	106,147	7,050,100	(79,050)
Total	4,407,037	827,964	5,600,000	10,835,001	348,145	8,839,680	(1,995,321)

SOURCES OF FINANCING	Published Budget 2022-23 £	Slippage from 2021-22 £	Approved Additions £	Revised Budget 2022-23 £	Variations £	Forecast Outturn £
Operational Services						
Grants / Contributions (DFG)	716,942	271,463		988,405		988,405
Capital Receipts	745,145	(77,949)		667,196		667,196
Borrowing	2,000,000	0		2,000,000	(3,000,000)	-1,000,000
Section 106 / CIL	29,000	21,250		50,250	1,083,729	1,133,979
Operational Services Total	3,491,087	214,764	0	3,705,851	(1,916,271)	1,789,580
Finance & Assets						
Capital Receipts	50,000	0		50,000		50,000
Section 106 / CIL	40,000	203,200		243,200		243,200
Borrowing	825,950	410,000	5,600,000	6,835,950	(79,050)	6,756,900
Finance & Assets Total	915,950	613,200	5,600,000	7,129,150	(79,050)	7,050,100
Capital Funding Total	4,407,037	827,964	5,600,000	10,835,001	(1,995,321)	8,839,680

Capital Resources Forecast	Published Budget 2022-23 £	Slippage from 2021-22 £	Approved Additions £	Revised Budget 2022-23 £	Variations £	Outturn £
Balance Brought Forward	1,442,203	94,178		1,536,381		1,536,381
Add receipts from Sales of Assets	50,000			50,000	539,650	589,650
Less Capital Receipts Applied	(795,145)	77,949		(717,196)	0	(717,196)
Capital Reserves Carried Forward	697,058	172,127	0	869,185	539,650	1,408,835

Borrowing	Published Budget 2022-23 £	Slippage from 2021-22 £	Approved Additions £	Revised Budget 2022-23 £	Variations £	Outturn £
Balance Brought Forward	9,980,085	(490,447)		9,489,638		9,489,638
Less MRP Applied	(337,944)			(337,944)	4,017	(333,927)
Repayment from ECTC	(4,070,000)		(830,000)	(4,900,000)		(4,900,000)
Add additional Borrowing Applied	2,825,950	410,000	5,600,000	8,835,950	(3,079,050)	5,756,900
Borrowing Carried Forward	8,398,091	(80,447)	4,770,000	13,087,644	(3,075,033)	10,012,611

Reserve Accounts

Description	2022/23			
	Opening Balance 1 April	Transfers to Reserve	Contributions from Reserve	Forecast Balance 31 March
	£	£	£	£
District Elections	127,181	22,500		149,681
Historic Buildings Grants	6,190			6,190
Housing Conditions Survey	20,000	5,000		25,000
Building Control	23,155			23,155
Change Management	243,870		(12,312)	231,558
Major Project Development	100,000			100,000
Surplus Savings Reserve	8,130,907		(1,327,963)	6,802,944
Vehicle Replacements	89,187			89,187
Sports Facilities Funding Reserve	300,000			300,000
IT	120,000	40,000		160,000
CIL	8,106,716	1,400,000	(1,000,000)	8,506,716
CIL Admin	226,560	70,000	(100,000)	196,560
Asset Management	12,679			12,679
Care and Repair	45,000			45,000
Community Fund Reserves	30,884			30,884
Housing	79,547			79,547
Affordable Housing	221,800		(121,800)	100,000
General Fund Balance	1,050,982	12,312		1,063,294
Commercial Invest to Save	20,000			20,000
CLT Grant Applications	20,000			20,000
Travellers' Sites	0	48,523		48,523
Enterprise Zone NNDR	658,813	216,132		874,945
Cambridgeshire Horizons	3,840,000		(250,000)	3,590,000
Council Tax / NNDR Carry Forwards	1,457,533		(1,457,533)	0
Climate Change	84,466		(50,000)	34,466
Other				
Section 106 Agreements	3,473,616		(500,000)	2,973,616
Internal Borrowing	(9,489,638)	(5,756,900)	5,233,927	(10,012,611)
Total Reserves	18,999,448	(3,942,433)	414,319	15,471,334