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**BUDGET MONITORING REPORT**

Committee: Operational Services Committee

Date: 14<sup>th</sup> November 2022

Author: Director, Finance

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1. **ISSUE**

- 1.1 This report provides Members with details of the financial position for services under the Operational Services Committee.

2. **RECOMMENDATION (S)**

- 2.1 Members are requested to note that Committee is currently projecting a £125,000 underspend at the end of the year on revenue, when compared to its approved budget of £5,802,153.
- 2.2 Members are further requested to note that the Committee has a projected capital programme outturn of £1,883,770. This is an underspend of £1,822,081 when compared to its 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.
- 3.2 This is the second quarter report for the 2022/23 financial year and details actual expenditure incurred and income received as at 30<sup>th</sup> September 2022 and current projections as to the year-end position.

**Revenue**

- 3.3 The revenue budget for each service that falls under the stewardship of this Committee has been reviewed with appendix 1 detailing the current variance and forecast outturn for each service line.
- 3.4 The significant variances of actual spend compared to profiled budgeted spend at the end of September, where no variance is forecast for yearend, are detailed in the table on the next page:

<b>Service</b>	<b>Variance £</b>	<b>Explanation</b>
Community Infrastructure Levy (CIL)	(£2,204,326)	CIL transactions are treated as a revenue income or expense during the year, but any balance on the account at yearend will be transferred to reserve
Climate Change	(£16,566)	An up-dated Environment Plan was agreed in June 2022
Community Projects & Grants	£11,393	Section 106 monies spent – will be reconciled at the end of the financial year
Environmental Issues Health- Admin & Miscellaneous	(£13,665) (£153,125)	Grants from 2021/22 have been rolled forward into this financial year
Leisure Centre	£408,145	The invoice to GLL for the Council's share of the 2021/22 surplus has not yet been raised as we await VAT advice
Marketing and Grants	(£22,991)	Grants available for town councils have not yet been claimed
Refuse Recycling	(£79,378) £91,953	Recharges to Street Scene have been made in October

3.5 The net revenue expenditure for this Committee at yearend is forecast to be £5,677,153. This reflects a forecast £125,000 underspend when compared to the approved budget. This is the combination of six forecast variations on service lines, as detailed in the table below.

3.6 It should be noted that the current expectation is that the Local Government pay award, once agreed, will be higher than that built into the budget in February (2%). This additional cost will ultimately show on individual service lines and so impact this report, but for the time being, until the pay award has been settled, an overall allowance is being shown on the Finance & Assets Committee report.

<b>Service</b>	<b>Forecast Outturn Variance £</b>	<b>Explanation</b>
Building Regulations	(£25,000)	Increase in income due to the relaxation of rules put in during the pandemic
Customer Services	(£35,000)	Saving is due to apprentice and Web Team vacancies in the first half of the year.

Homelessness	(£60,000)	There have been vacancies in the Housing Team during the first half of the year
IT	£50,000	Inflation has increased software & hardware costs by 10-15%
Planning	(£75,000)	We received a number of higher fee earning applications; i.e. major applications, in the first quarter of 2022/23, however in the second quarter income was below profile – this has been reflected in the revised forecast
Travellers	£20,000	Income from residents has shown a shortfall in the first half of the year on both sites. Water Rate costs are also running ahead of profile

## Capital

- 3.7 The revised capital budget for Operational Services Committee stands at £3,705,851; including £214,764 of slippage brought forward from 2021/22. This slippage amount has now been formally approval by Finance and Assets Committee at their meeting on the 4<sup>th</sup> October 2022.
- 3.8 The main yearend forecast is in relation to Waste vehicles, while it remains a possibility that new vehicles will be purchased during 2022/23 because of the time lapse between order and delivery, it is thought very unlikely that these vehicles will be delivered and in operation before the end of March 2023.
- 3.9 The cost of vehicle purchases will be higher this year than budgeted as ECTC, parks and gardens team, have replaced a number of their vehicles. The cost of these are initially met from Section 106 contributions, with the Council benefiting from the hire charge it makes to ECTC for the vehicles' use over their useful life.
- 3.10 Around £1,000,000 of CIL receipts received in 2022/23 will be used as funding towards the historic cost of the Leisure Centre, therefore reducing the borrowing on this project.

## 4. FINANCIAL IMPLICATIONS / EQUALITY AND CARBON IMPACT ASSESSMENTS

- 4.1 The current forecast is that the Committee's net revenue position will be an underspend of £125,000 at the end of the financial year.
- 4.2 An equality Impact Assessment (INRA) is not required.

4.3 A carbon Impact Assessment (CIA) is not required.

## 5. APPENDICES

5.1 Appendix 1 – Revenue budget monitoring report – 30<sup>th</sup> September 2022.

5.2 Appendix 2 – Capital budget monitoring report – 30<sup>th</sup> September 2022

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<u>Background Documents</u>	<u>Location</u>	<u>Contact Officer</u>
Budget Monitoring Report Preparation Documents	Room 104 The Grange Ely	Ian Smith Director, Finance Tel: (01353) 616470 E-mail: <a href="mailto:ian.smith@eastcambs.gov.uk">ian.smith@eastcambs.gov.uk</a>

## OPERATIONAL SERVICES COMMITTEE, BUDGET MONITORING REPORT - SEPTEMBER 2022

Revenue	Total Budget 2022-23	Profiled Budget to 30 Sept 2022	Actual to 30 Sept 2022	Variance	Forecast Outturn	Current variance between Total Budget & Projected Outturn	Variance between Total Budget & Projected Outturn - June
	£	£	£	£	£		£
Building Regulations	30,900	15,450	(16,010)	(31,460)	5,900	(25,000)	(25,000)
CIL	--	--	(2,204,326)	(2,204,326)	--		
Civic Amenities Act	9,828	4,914	4,736	(178)	9,828		
Climate Change	100,000	50,000	33,434	(16,566)	100,000		
Community Projects & Grants	189,099	74,925	86,318	11,393	189,099		
Community Safety	57,661	(2,511)	(3,583)	(1,072)	57,661		
Cons.Area & Listed Buildings	64,569	32,285	33,444	1,159	64,569		
Customer Services	493,405	254,556	216,868	(37,688)	458,405	(35,000)	(15,000)
Dog Warden Scheme	36,022	18,136	17,069	(1,067)	36,022		
Ely Markets	--	--	--	--	--		
Emergency Planning	28,665	3,959	8,676	4,717	28,665		
Environmental Issues	146,705	61,445	47,780	(13,665)	146,705		
Health - Admin. & Misc.	423,589	211,912	58,787	(153,125)	423,589		
Homelessness	377,911	39,371	(743,108)	(782,479)	317,911	(60,000)	
IT	872,889	509,918	476,449	(33,469)	922,889	50,000	
Leisure Centre	(471,469)	6,500	414,645	408,145	(471,469)		
Licencing	11,835	168	(8,581)	(8,749)	11,835		
Marketing & Grants	73,229	57,224	34,233	(22,991)	73,229		
Neighbourhood Panels	1,500	--	45	45	1,500		
Nuisance Investigation	80,306	40,153	41,749	1,596	80,306		
Performance Management	10,400	--	--	--	10,400		
Pest Control	9,866	4,933	4,727	(206)	9,866		
Planning	144,837	71,416	1,273	(70,143)	69,837	(75,000)	(100,000)
Public Relations	102,779	51,390	50,390	(1,000)	102,779		
Refuge Recycling	1,051,426	525,713	446,335	(79,378)	1,051,426		
Refuse Collection	1,237,556	618,778	710,731	91,953	1,237,556		
Renovation Grants	--	--	--	--	--		
Street Cleansing	724,356	362,178	362,343	165	724,356		
Street Naming & Numbering	16,289	8,144	(705)	(8,849)	16,289		
Travellers Sites	(22,000)	(35,018)	3,212	38,230	(2,000)	20,000	
Tree Preservation	--	--	--	--	--		
<b>Revenue Total</b>	<b>5,802,153</b>	<b>2,985,939</b>	<b>76,931</b>	<b>(2,909,008)</b>	<b>5,677,153</b>	<b>(125,000)</b>	<b>(140,000)</b>

## CAPITAL BUDGET MONITORING 2022/23

Capital	Published Budget 2022-23 £	Slippage from 2021-22 £	Approved Additions £	Revised Budget 2022-23 £	Actual at 30th September 2022 £	Forecast Outturn £	Variance between Revised Budget & Forecast £
<b>OPERATIONAL SERVICES</b>							
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	33,452	40,000	0
Mandatory Disabled Facilities Grants	1,347,087	166,008		1,513,095	209,766	1,513,095	0
Empty Properties, Discretionary DFGs, Minor Works, Home Repair Asst.	75,000			75,000	55,141	75,000	0
Vehicle Etc. Replacements	29,000	21,250		50,250	228,169	228,169	177,919
Leisure Centre				0	(188,038)	0	0
<b>Total</b>	<b>3,491,087</b>	<b>214,764</b>	<b>0</b>	<b>3,705,851</b>	<b>338,490</b>	<b>1,883,770</b>	<b>(1,822,081)</b>

SOURCES OF FINANCING	Published Budget 2022-23 £	Slippage from 2021-22 £	Approved Additions £	Revised Budget 2022-23 £	Variations £	Forecast Outturn £
<b>Operational Services</b>						
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	1,177,919	1,228,169
<b>Capital Funding Total</b>	<b>3,491,087</b>	<b>214,764</b>	<b>0</b>	<b>3,705,851</b>	<b>(1,822,081)</b>	<b>1,883,770</b>