

TITLE: BUDGET MONITORING REPORT

Committee: Operational Services Committee

Date: 21st March 2022

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[W155]

1. ISSUE

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

2. RECOMMENDATIONS

2.1 Members are requested to note that the Committee is currently projecting an underspend in the year of £182,500, when compared to its planned budget of £5,558,994.

2.2 Members are further requested to note that the Committee has a projected capital programme outturn of £666,744. This is £2,654,550 lower than 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 third quarter report for the 2021/22 financial year and details actual expenditure incurred and income received as at 31st December 2021 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 table below details the significant variances of actual spend compared to profiled budgeted spend at the end of December, where no yearend variance is currently being predicted.

| Service | Variance £ | Explanation |
|-------------------------------------|-------------------|---|
| Community Infrastructure Levy (CIL) | (£3,830,481) | CIL transactions are treated as a revenue income or expense, but any balance on the account will be transferred to reserve at yearend. |
| Climate Change | (£23,726) | The profile currently allocates the budget equally over the year, but as spend is against specific projects, this is not consistent throughout the year. The budget holder currently believes that the budget will be fully spent at yearend. |
| Community Safety | (£50,402) | Rolled forward income from 2020/21 (PCC & Community Safety) will be used to pay for the programme of activities in 2021/22. |
| Licencing | (£25,281) | An increased amount of income is showing to the end of December, although some of this relates to multi-year licences and so will be rolled forward. For the remainder of the year we are expecting revenue to revert to pre-Covid-19 levels. |

3.5 The net revenue expenditure for this Committee at yearend is forecast to be £5,376,494. This reflects a forecast £182,500 underspend when compared to the approved budget. Within this there are several forecast variations on service lines, as detailed in the table below.

| Service | Forecast Outturn Variance £ | Explanation |
|-----------------------------|--|--|
| Community Projects & Grants | (£20,000) | Local clubs, groups and venues are continuing to recover and get back to normal after Covid-19. Many groups have been using new and alternative ways to meet, such as video conferencing, resulting in a reduced demand for facility improvements this year. |

| | | |
|-------------------|------------|---|
| Customer Services | (£22,500) | The underspend is a result of a member of staff reducing her hours. This will be reviewed later in the year to determine whether the service will need to cover these additional hours moving forward. There still is less face to face visitors than prior to Covid-19, however this may change towards the end of the financial year as restrictions hopefully reduce. |
| Homelessness | (£60,000) | The current month end variance is the result of the roll forward of unspent Government grant from 2020/21. The yearend variance however, is the result of savings on staffing where staff have been redeployed onto Covid-19 projects and there have been savings while recruiting their replacements. |
| IT | £20,000 | This relates to an increased spend on hardware and licences. |
| Planning | (£110,000) | We continue to receive an increased number of applications, some of which are higher fee earners, potentially as a result of the relaxation of Covid-19 restriction. The department remained extremely busy throughout the Covid-19 period and continues to receive applications in numbers higher than experienced in recent years. The Council has a number of Public Inquiries and Appeal Hearings in the coming months and this may impact on the forecast currently being projected. |
| Travellers | £10,000 | There is an overspend in site repairs at the travellers sites. |

Capital

- 3.6 The revised capital budget for Operational Services Committee stands at £3,321,294; including £398,101 of slippage brought forward from 2020/21 and additional Disability Facilities Grant (DFG) of £81,894.

- 3.7 While we await more details of the Government's Waste Strategy, capital spending on Waste vehicles has been delayed, and with the lead times between order and receipt on such vehicles around twelve months, there will now be no spend on Waste vehicles during 2021/22 and instead this budget will need to be carried forward into 2022/23.
- 3.8 There is an underspend on Disability Facilities Grant (DFG) spend, where as a consequence of the Covid-19 pandemic the amount of work that has been able to be done in the past twenty-one months, has been greatly reduced especially in times of restrictions, when builders etc. were unable to enter properties to undertake improvements.
- 3.9 There is also an overspend on vehicle replacements, where Housing have purchased a community bus (£35,000) which will be funded from Government Covid-19 grant.
- 3.10 Further £1.1 million of CIL funding has been received and allocated against the historical Leisure Centre (internal borrowing) build costs in 2021/22, thus reducing the borrowing requirement for this scheme.

4. FINANCIAL IMPLICATIONS / EQUALITY AND CARBON IMPACT ASSESSMENTS

- 4.1 The current forecast is that the Committee's net revenue expenditure will be £182,500 underspent at yearend.
- 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 – 31st December 2021.
- 5.2 Appendix 2 – Capital budget monitoring report – 31st December 2021

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

OPERATIONAL SERVICES COMMITTEE BUDGET MONITORING REPORT - December 2021

| Revenue | Total Budget 2021-22 | Profiled Budget to 31 December 2021 | Actual to 31 December 2021 | Variance | Projected Outturn | Current variance between Total Budget & Projected Outturn | Variance between Total Budget & Projected Outturn - September |
|------------------------------|-------------------------|--|-------------------------------|--------------------|----------------------|--|--|
| | £ | £ | £ | £ | £ | £ | £ |
| Building Regulations | 17,696 | 11,134 | 19,404 | 8,270 | 17,696 | | |
| CIL | -- | -- | (3,830,481) | (3,830,481) | -- | | |
| Civic Amenities Act | 11,671 | 6,878 | 7,066 | 188 | 11,671 | | |
| Climate Change | 100,000 | 75,000 | 51,264 | (23,736) | 100,000 | | |
| Community Projects & Grants | 179,585 | 115,960 | 184,292 | 68,332 | 159,585 | (20,000) | (20,000) |
| Community Safety | 57,002 | 37,298 | (13,104) | (50,402) | 57,002 | | |
| Cons.Area & Listed Buildings | 60,967 | 45,725 | 48,485 | 2,760 | 60,967 | | |
| Customer Services | 460,037 | 354,014 | 350,151 | (3,863) | 437,537 | (22,500) | (12,500) |
| Dog Warden Scheme | 34,443 | 25,895 | 24,144 | (1,751) | 34,443 | | |
| Ely Markets | -- | -- | -- | -- | -- | | |
| Emergency Planning | 28,374 | 5,883 | 13,779 | 7,896 | 28,374 | | |
| Environmental Issues | 91,486 | 71,915 | 79,356 | 7,441 | 91,486 | | |
| Health - Admin. & Misc. | 410,201 | 303,175 | 293,028 | (10,147) | 410,201 | | |
| Homelessness | 343,080 | 165,377 | (651,786) | (817,163) | 283,080 | (60,000) | (25,000) |
| IT | 801,664 | 672,773 | 715,757 | 42,984 | 821,664 | 20,000 | |
| Leisure Centre | (241,113) | 6,750 | 1,097 | (5,653) | (241,113) | -- | -- |
| Licencing | 2,499 | 1,772 | (23,509) | (25,281) | 2,499 | | |
| Marketing & Grants | 70,094 | 57,875 | 48,280 | (9,595) | 70,094 | | |
| Neighbourhood Panels | 1,500 | 1,125 | -- | (1,125) | 1,500 | | |
| Nuisance Investigation | 75,315 | 56,486 | 59,253 | 2,767 | 75,315 | | |
| Performance Management | 10,400 | 7,800 | -- | (7,800) | 10,400 | | |
| Pest Control | 9,341 | 7,006 | 6,863 | (143) | 9,341 | | |
| Planning | 6,808 | 5,634 | (142,217) | (147,851) | (103,192) | (110,000) | (110,000) |
| Public Relations | 75,917 | 56,938 | 52,432 | (4,506) | 75,917 | | |
| Refuse Recycling | 1,006,700 | 770,025 | 768,954 | (1,071) | 1,006,700 | | |
| Refuse Collection | 1,201,511 | 901,133 | 904,652 | 3,519 | 1,201,511 | | |
| Street Cleansing | 703,258 | 527,444 | 527,444 | -- | 703,258 | | |
| Street Naming & Numbering | 6,841 | 5,131 | 6,412 | 1,281 | 6,841 | | |
| Travellers Sites | (22,000) | (45,024) | 15,614 | 60,638 | (12,000) | 10,000 | 10,000 |
| Tree Preservation | 55,717 | 35,383 | 27,483 | (7,900) | 55,717 | | |
| | | | -- | | | | |
| Revenue Total | 5,558,994 | 4,286,505 | (455,887) | (4,742,392) | 5,376,494 | (182,500) | (157,500) |

CAPITAL BUDGET MONITORING 2021/22

| Capital | Published Budget 2021-22 £ | Slippage from 2020-21 £ | Approved Additions £ | Revised Budget 2021-22 £ | Actual at 31st December 2021 £ | Forecast Outturn £ | Variance between Revised Budget & Forecast Outturn £ |
|---|----------------------------------|----------------------------------|----------------------------|-----------------------------------|---|--------------------------|--|
| 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 | 45,238 | 45,238 | 5,238 |
| Mandatory Disabled Facilities Grants | 697,299 | 370,595 | 81,894 | 1,149,788 | 58,149 | 500,000 | (649,788) |
| Empty Properties, Discretionary DFGs, Minor Works, Home Repair Asst. | 75,000 | | | 75,000 | (6,020) | 30,000 | (45,000) |
| Vehicle Etc. Replacements | 29,000 | | | 29,000 | 42,750 | 64,000 | 35,000 |
| Leisure Centre | | | | 0 | (188,038) | 0 | 0 |
| Total | 2,841,299 | 398,101 | 81,894 | 3,321,294 | (47,921) | 666,744 | (2,654,550) |

| SOURCES OF FINANCING | Published Budget 2021-22 £ | Slippage from 2020-21 £ | Approved Additions £ | Revised Budget 2021-22 £ | Variations £ | Forecast Outturn £ |
|------------------------------|-------------------------------------|----------------------------------|----------------------------|-----------------------------------|--------------------|--------------------------|
| Operational Services | | | | | | |
| Grants - DFG | 526,577 | | 81,894 | 608,471 | (108,471) | 500,000 |
| Revenue Contributions | | | | | 35,000 | 35,000 |
| Capital Receipts | 265,722 | 398,101 | | 663,823 | (583,698) | 80,125 |
| Borrowing | 2,000,000 | 0 | 0 | 2,000,000 | (3,100,000) | (1,100,000) |
| Section 106 / CIL | 49,000 | | | 49,000 | 1,102,619 | 1,151,619 |
| Capital Funding Total | 2,841,299 | 398,101 | 81,894 | 3,321,294 | (2,654,550) | 666,744 |