

TITLE: FINANCE REPORT
Committee: Finance & Assets Committee
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1.0 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.

2.0 Recommendation(s)

2.1 Members are requested to note:

- this Committee has a projected yearend underspend of £197,000 when compared to its approved revenue budget of £7,016,768.
- that overall, the Council has a projected yearend underspend of £12,718 when compared to its approved revenue budget of £18,840,342.
- that the overall position for the Council on Capital is a projected outturn of £5,680,541, which is an underspend of £2m when compared to the revised budget.

3.0 Budget Monitoring

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 2024/25 financial year and details actual expenditure incurred and income received as of 30th June 2024 and projections as to the yearend position at this time.

Revenue

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 two forecast yearend variances being reported at this time, with the net position being that the Committee is forecast to come in £135,000 overspent at yearend. These overspends are a £105,000 overspend in Planning and a £30,000 in Building Control both where income levels are significantly lower than forecast. Further details are included in the budget monitoring report presented to Operational Services Committee on the 23rd September 2024.

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 2024, where no variance is forecast at yearend, are detailed in the table below:

Service	Variance £	Explanation
Corporate Management	(£192,552)	Accruals for External Audit for 2022/23 and 2023/24 remain unpaid.
Cost of other Elections	(£37,520)	Roll forward of income from external elections in previous years, will be refunded or put in reserve during 2024/25.
IT	£589,846	Many annual software licence fees are paid early in the financial year.
Land Charges Admin	(£58,526)	Roll Forward of MHCLG grant into 2024/25 – ring fenced expenditure rules applicable.
Local Elections	(£56,679)	Roll Forward of MHCLG grant into 2024/25 – ring fenced expenditure rules applicable
Parks & Gardens	(£44,024)	Expenditure is behind profile for the first part of the year.
Registration of Electors	(£32,521)	Roll forward of grant income from 2023/24 will be used to fund work in the current year.
Sport & Recreation	(£59,818)	Roll forward of unspent grant for Healthy you and Older Adults exercise.

3.6 The total forecast yearend underspend for Committee is £197,000. This covers a number of service areas, explanations for which are detailed in the table below:

Service	Variance £	Explanation
Economic Development	(£30,000)	Occupancy rates at the e-space centres in the first quarter of the year were in advance of the level projected in the budget.
General Gang	(£15,000)	This results from a staff vacancy in the first three months of the year.
Housing Benefits	£55,000	When the 2024/25 budget was prepared we only had the August 2023 Housing Benefit Subsidy return to calculate the budget. This forecast is calculated based on more up to date information.
Housing Strategic	(£60,000)	There are currently staff vacancies in the Housing Strategic team
Interest & Financial Transactions	(£40,000)	Interest received on investments is in advance of budget for the first part of the year, but is countered to some extent, by additional credit card charges.
Local Plans	(£50,000)	Higher than anticipated neighbourhood planning grants have been received from government in the past year, which reflects the high volume of neighbourhood planning activity in the district.
Management Team	(£40,000)	The Chief Executive's reduction in working hours has resulted in this forecast saving.
Member & Committee Support	(£25,000)	Changes in staffing in Democratic Services in the first quarter have resulted in an underspend.
Public Conveniences	£8,000	Holiday and sickness cover has had to be covered by external contractors this year due to current staff being unavailable.
Internal Drainage Boards	£49,282	The Internal Drainage Boards prepare their budgets at the same time as the Council, so assumptions need to be made as to the actual levy to be charged. The overspend now reflects the payment due in 2024/25.

Capital

- 3.7 The Council's revised capital budget stands at £7,680,541; including £1,105,576 of slippage brought forward from 2023/24.
- 3.8 The outturn position is forecast to be £5,680,541, an underspend of £2,000,000. The forecast underspend relates to two schemes, ECTC borrowing (£1,000,000) where ECTC's latest cashflow forecast details that they will only be requiring to borrow £1.5 million in this financial year as opposed to the revised budget of £2.5 million and Waste bins (£1,000,000) where it is now thought that the new bins will be purchased in 2025/26 at the same point as the other Waste Services Review costs.

4.0 Treasury Management

- 4.1 Under revised Treasury Management requirements as first introduced in 2023/24 and detailed in the CIPFA (Chartered Institute of Public Finance and Accountancy) Code of Practice for Treasury Management 2021, councils are required to report their treasury management activity on a quarterly basis. While the Strategy, mid-year review and Yearend reports need to go to Full Council for approval, the reports at the end of quarter one and three only need to go to Committee for noting. These reports are therefore included as part of this Finance Report at the end of these quarters.
- 4.2 The treasury management update report is included as appendix 5, which details that the Council had cash holdings of £31,683,350 at the end of June 2024 and had received interest on its cash investments during the first quarter of £290,887. This is slightly in excess of that forecast in the budget, due mainly to interest rates remaining higher than the prudent forecast when the budget was prepared.
- 4.3 To note, the economic up-date in the report reflects the position at the end of June 2024.

5.0 Arguments/Conclusions

- 5.1 The projected net revenue expenditure for the Council is forecast to be a £12,718 underspend compared to the Council's approved budget. This will be moved to the Surplus Savings Reserve at yearend.

6.0 Additional Implications Assessment

- 6.1 In the table below, please put Yes or No in each box:

Financial Implications Yes	Legal Implications No	Human Resources (HR) Implications No
Equality Impact Assessment (EIA) No	Carbon Impact Assessment (CIA) No	Data Protection Impact Assessment (DPIA) No

6.2 Financial Implications

The forecast underspend reported in this report has been added to the Council's Surplus Savings Reserve and will become available to balance the budget in future years.

7.0 Appendices

Appendix 1 – Summary Budget Monitoring Report – 30th June 2024

Appendix 2 – Operational Services Budget Monitoring Report – 30th June 2024

Appendix 3 – Capital Budget Monitoring Report – 30th June 2024

Appendix 4 – Reserve Balances – 30th June 2024

Appendix 5 – Treasury Management update – 30th June 2024

8.0 Background Documents:

Council Budget approved by Full Council on the 20th February 2024