

**TITLE: FINANCE REPORT**

Committee: Finance & Assets Committee

Date: 24<sup>th</sup> January 2022

Author: Finance Manager

[W139]

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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 to note:

- this Committee has a projected yearend underspend of £304,600 when compared to its approved revenue budget of £5,517,792.
- that overall the Council has a projected yearend underspend of £533,833 when compared to its approved revenue budget of £14,310,015.
- that the overall position for the Council on Capital is a projected outturn of £1,279,944, which is an underspend of £3,480,500 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 third report for the 2021/22 financial year and details actual expenditure incurred and income received as at 31<sup>st</sup> December 2021 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. The net position is that the Committee will come in

£182,500 underspend at yearend due to underspends in Planning, Community Projects & Grants, Customer Services & Homelessness. There are overspends on Travellers and ICT. Further detail will be included in the budget monitoring report to Operational Services Committee on the 21<sup>st</sup> March 2022.

- 3.5 With regard to Finance & Assets Committee, the significant variances of actual spend compared to profiled budgeted spend at the end of December 2021, where no yearend variance is being reported, are detailed below:

<b>Service</b>	<b>Variance £</b>	<b>Explanation</b>
Corporate Management	(£17,327)	This budget has accruals from 2020/21 that remain unpaid (mainly External Audit costs).
Cost of Other Elections	(£41,216)	This relates to costs and income for running the Police and Crime Commissioner election, this will be subject to a full reconciliation process before yearend.
Parks & Open Spaces	£29,842	Recharge of costs against S106 receipts will be done at the end of this financial year.
Registration of Electors	(£39,133)	Roll over of income from 2020/21 to fund future work.
COVID-19	(£188,218)	This relates to ringfenced Government grants that have been received and will be either forwarded on to businesses or returned to Government.

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

<b>Service</b>	<b>Variance £</b>	<b>Explanation</b>
Civic Relations	(5,000)	There will be no civic reception this year, therefore resulting in saving.
Economic Development	(£60,000)	Occupancy levels at the e-space centres has been maintained in the first nine months of 2021/22, despite concerns surrounding the Covid-19 pandemic. The budget was reduced to allow for empty units at the sites, however this proved not to be the case, and rentals levels have therefore exceeded the budget.

Housing Benefit	(£67,000)	Up-dated figures on Housing Benefit payments in the District have shown a reduction in payments being made.
Housing Strategic	(£16,000)	Underspend on staffing during the first nine months of the year.
Interest and Financial Transactions	(£42,500)	Interest receipts are now expected to be higher than budgeted, mainly as the result of ECTC drawing down their full loan on the 31 <sup>st</sup> March 2021.
Land Charges Admin	(£30,000)	An increased level of income has been received during the first nine months of the year.
Local Plans	(£10,000)	We negotiated a settlement of an old invoice from 2019/20, thus resulting in a saving in this financial year.
Management Team	£20,000	The secondment of senior staff to the Combined Authority ended earlier than anticipated when we prepared the budget, which has resulted in reduced income in 2021/22.
Member & Committee Support	(£40,000)	Savings on the salary budget due to vacancies and on the members ICT budget.
Miscellaneous Finance	(£11,300)	More leisure centre capital costs were met from CIL in 2020/21 than forecast, which has resulted in reduced debt costs in the current year.
Parking of Vehicles	£20,000	Parking income over the first nine months has been significantly reduced because of Covid-19, although the overspend has been reduced by a reduction in rates and reduced maintenance costs.
Public Conveniences	(£16,800)	There is a saving on public conveniences business rates as such properties have been deemed by Government to be zero rated moving forward.
Reprographics	(£10,000)	This reflects an increase in income for Reprographics services for the first three quarters of the year.

Other Government Grants	(£50,000)	We have been given extra administration (new burden) funding this year to facilitate the Government Covid-19 business grants scheme.
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## Capital

- 3.7 The Council's capital programme for 2021/22 (Appendix 3) has had £461,301 slippage from 2020/21 applied. The Council has further been awarded £608,471 of disability facilities grant in 2021/22, this is £81,894 more than expected when the budget was set. This has been added to the budget as additional funding. The revised capital programme for the Council is therefore £4,760,444.
- 3.8 The current forecast for spend against the Capital programme is £1,279,944, an underspend of £3,480,500. There has been slippage on a number of the capital schemes:
- Waste Vehicles; spending on Waste vehicles has been delayed while we await final details of the Government's Waste Strategy, and with lead times between order and receipt of such vehicles around twelve months, none of the Waste vehicles capital budget will now be spent in 2021/22.
  - Depot; the depot refurbishment has been delayed while proposals for the scheme have been reassessed, but it now expected that a revised proposal will come to Finance and Assets Committee at its March meeting.
  - Disability Facilities Grant; spending in this area has been much reduced as a consequence of the Covid-19 pandemic over the past twenty-one months, as the ability to get work done during times of restrictions has been limited.

## 4 ARGUMENTS / CONCLUSIONS

- 4.1 The projected net revenue expenditure for the Council is forecast to be £13,826,182 in 2021/22, before Funding. Once Funding is taken into account, this results in a forecast underspend of £533,833 when compared to the Council's approved budget.
- 4.2 The projected Capital Outturn for the Council stands at £1,279,944. This is an underspend of £3,480,500 when compared to the revised budget.

## 5 FINANCIAL IMPLICATIONS / EQUALITY AND CARBON IMPACT ASSESSMENTS

- 5.1 There is a revenue underspend of £533,833 compared to this Council's approved budget, all things being equal, this will be moved into the Surplus Savings Reserve at yearend and provide additional budget support in future years.
- 5.2 An Equality Impact Assessment (INRA) is not required.

5.3 A Carbon Impact Assessment (CIA) is not required.

## 6 APPENDICES

- 6.1 Appendix 1 – Summary Budget Monitoring – December 2021  
Appendix 2 – Operational Services Budget Monitoring – December 2021  
Appendix 3 – Capital Budget Monitoring – December 2021  
Appendix 4 – Reserve Balances – December 2021

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<u>Background Documents</u>	<u>Location</u>	<u>Contact Officer</u>
Council Budget as approved by Council on the 23 <sup>rd</sup> February 2021	Room 104 The Grange Ely	Ian Smith Finance Manager Tel: (01353) 616470 E-mail: <a href="mailto:ian.smith@eastcambs.gov.uk">ian.smith@eastcambs.gov.uk</a>