

Title: Finance Report

Committee: Finance and Assets Committee

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Author: Director, Finance

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Contact Officer: Ian Smith Director, Finance ian.smith@eastcambs.gov.uk

Tel: (01353) 616470 E-mail: Room 104. The Grange, Ely

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 £881,000 when compared to its approved revenue budget of £7,016,768.
- that overall, the Council has a projected yearend underspend of £602,030 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 £5,502,942, which is an underspend of £2,177,599 when compared to the revised budget.
- the Treasury Management update report at appendix 5.

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 third report for the 2024/25 financial year and details actual expenditure incurred and income received as at 31st December 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 currently three forecast yearend variances being reported, with the net position being that the Committee is forecast to come in £335,000 overspent at yearend. There are two overspends; £300,000 in Planning and £80,000 in Building Control where in both cases, income levels are significantly lower than budgeted. Licensing is forecasting an underspend of £45,000. Further details will be included in the budget monitoring report presented to Operational Services Committee in March 2025.

3.5 With regard to the Finance and Assets Committee, the significant variances of actual spend compared to profiled budgeted spend at the end of December 2024, where no variance is forecast at yearend, are detailed in the table below:

Service	Variance £	Explanation
Climate Change	(£67,158)	Grant received in advance for Net Zero Villages. This funding will be spent over the next twelve months.
Closed Churchyards	£41,645	Expenditure on this cost centre will be funded from the Asset Management budget at yearend.
Corporate Management	(£130,452)	Accruals for External Audit costs for 2022/23 and 2023/24 remain unpaid while work continues, and final fees are agreed.
Cost of other Elections	(£30,998)	The rolled forward income from external elections in previous years, will be refunded or put into reserve during 2024/25.
Registration of Electors	(£15,626)	Roll forward of grant income from 2023/24 will be used to fund work in the current financial year.
Sport & Recreation	(£40,090)	Roll forward of unspent grants for Healthy you and Older Adults exercise will be used in the current financial year.

3.6 The total forecast yearend underspend for Committee is £881,000. This covers a number of service areas, explanations for which are detailed in the table below:

Service	Variance £	Explanation
Economic Development	(£60,000)	Occupancy rates at the e-space north centre were in advance of the level projected in the budget during the first half of the year, levels have reverted nearer to budget in the third quarter, therefore a prudent forecast has been made for the whole year. There have also

		<p>been savings in staff costs due to vacancies in the Economic Development Team.</p> <p>The £494,000 expenditure variance at the end of quarter three relates to expenditure on UKPSF Pride of place and Business Growth Grant Fund projects which will be funded by the Combined Authority prior to yearend.</p>
General Gang	(£28,000)	This results from a staff vacancy in the first nine months of the year. The current staffing requirements are still being reviewed.
Housing Benefits	(£20,000)	When the 2024/25 budget was prepared we only had the August 2023 Housing Benefit Subsidy return to calculate the budget. This latest forecast is calculated based on more up to date information.
Housing Strategic	(£60,000)	<p>There are currently staff vacancies in the Housing Strategic team.</p> <p>The expenditure variance at the end of quarter three relates to costs that will be matched against Section 106 income as part of the closedown process.</p>
Interest & Financial Transactions	(£450,000)	Interest received on investments is in advance of the budget for the first three quarters of the year, but is countered, to some extent, by additional credit card charges.
Land Charges Admin	(£11,000)	Saving on the staff budget during the first nine months of the financial year.
Legal Services	(£35,000)	This forecast position is the result of savings on staff salaries during the first nine months of the year.
Local Plans	(£150,000)	<p>More neighbourhood planning grants have been received from Government than forecast during the year, which reflects the high volume of neighbourhood planning activity in the District.</p> <p>The full budget allocation made for the Local Plan in 2024/25 will not be needed, but additional resource has been built into the MTFS in future years as the overall cost forecast to produce the Plan remains the same.</p>

Member & Committee Support	(£60,000)	Due to changes in staffing in Democratic Services in the first nine months of the year, underspends have occurred.
Misc Finance	£14,000	Early retirement unfunded pensions have a £7,000 overspent due to a prior year adjustment. MRP charges are also £7,000 higher than budgeted.
Office Accommodation	(£35,000)	This is a result of savings on staff salaries during the first nine months of the year.
Parking of Vehicles	(£20,000)	Savings in staff costs due to a vacancy. Income levels have recovered to that forecast in the budget.
Public Conveniences	£34,000	Holiday and sickness absences have been covered by external contractors at Ely, Littleport & Soham, due to current staff being unavailable, which has resulted in additional costs.
Internal Drainage Boards	(£56,000)	The Internal Drainage Boards (IDB) prepare their budgets at the same time as the Council, so assumptions need to be made as to the actual levy to be charged and charges have proved to be higher than budgeted. However, we have received MHCLG grant (provided to a small number of councils most impacted by the increase in IDB levies) which has more than compensates us in this year.

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 £5,502,942, an underspend of £2,177,599. The forecast underspend relates to five schemes. Four underspends; Waste bins (£1,000,000) where the new bins (linked to moving general waste from sacks to wheeled bins) will be purchased in 2025/26 at the same point as the other Waste Service Review costs; the Bereavement Centre where the revised timeline no longer expects any work on the ground to take place in 2024/25 and so costs in this year will be lower than in the original budget; the loan to ECTC, where the companies current cashflow forecasts a lower borrowing requirement in 2024/25 than originally expected and the loan to EC CLT where some buyers have put in more equity than expected in the original business case, which has resulted in the CLT needing to drawdown less of its loan facility.
- 3.9 The overspend relates to new vehicles for the parks and gardens team (part of ECTC), which will be funded from Section 106 contributions. These will be hired

to the Trading Company at a cost to cover the Council’s notional capital costs (depreciation and borrowing).

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 £35,303,917 at the end of December 2024 and had received interest on its cash investments up to this point of £1,142,898. This is ahead 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 December 2024.

5.0 Conclusions

- 5.1 The projected net revenue expenditure for the Council is forecast to be a £602,030 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 will be 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 – 31 December 2024
- Appendix 2 – Operational Services Budget Monitoring Report – 31 December 2024
- Appendix 3 – Capital Budget Monitoring Report – 31 December 2024
- Appendix 4 – Reserve Balances – 31 December 2024
- Appendix 5 - Treasury Management update – 31 December 2024

8.0 Background Documents:

Council Budget approved by Full Council on the 20 February 2024