

**Title: Budget Monitoring Report**

Committee: Operational Services Committee

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**1.0 Issue**

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

**2.0 Recommendation(s)**

2.1 Members are requested to note that the Committee is currently projecting a yearend overspend of £335,000 on revenue, when compared to its approved budget of £7,134,292.

2.2 Members are further requested to note that the Committee has a projected capital programme outturn of £2,912,425. This is an underspend of £1,743,774 when compared to its revised budget.

**3.0 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 quarterly report for the 2024/25 financial year and details actual expenditure incurred and income received as of 31<sup>st</sup> December 2024 and the projection as to the year-end position at that time.

**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 December, 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)	(£1,589,147)	CIL transactions are treated as a revenue income or expense during the year, but any balance on the account at yearend is transferred to reserve.
Community Projects & Grants	£148,165	Expenditure that will be funded from Section 106 contributions has been paid incurred; the Section 106 funding will be transferred in at the end of the financial year.
Community Safety	(£23,299)	The Police & Crime Commissioner (Serious Violence / Putting Communities First Funding) grant has been received in advance but will be spent before yearend.
Environmental Health	(£74,105)	External grants that had been rolled forward into 2024/25 remain unspent. These will be rolled forward into 2025/26 if not spent by the end of the financial year.
Homelessness	(£299,765)	Unspent 2023/24 Ukrainian support grants have been rolled forward, plus 2024/25 Homelessness grant received in advance, have resulted in the current underspend on this cost centre.
Recycling	£11,838	Staff structure changes mid-way through the year, have resulted in an overspend on this budget.
Travellers	£22,277	This relates to one off expenditure to repair and maintain the travellers' site to keep it up to a good standard. Expenditure is therefore ahead of profile, but it is still expected that the budget will come in on target at yearend.

3.5 The net revenue expenditure for Committee at yearend is forecast to be £7,469,292. This is a forecast £335,000 overspend when compared to the approved budget. This is the combination of the forecast variations on service lines, as detailed in the table below.

Service	Forecast Outturn Variance £	Explanation
Building Control	£80,000	During the first three quarters of the year there was a significant drop in application being submitted. [This is not an isolated instance for East Cambs, but a national industry-wide decline. In East Cambs we are still maintaining our market share in the district.] This forecast represents the current view, after the latest Government announcement about house building, we remain hopeful planning relaxation will happen which may result in the position improving in quarter four.
Licensing-Env Services	(£45,000)	Licensing fees are set at a level to recover total costs including corporate overheads. Income received to date has covered nearly 80% of the budget and shows as a surplus / underspend on the service overall.
Planning	£300,000	Planning income remains below budget at the end of the third quarter. Due to the uncertainty within the housing market (and changes to planning legislation which are due imminently) and the fact that the Council has a strong 5-year housing land supply, coupled with the Local Plan period coming to its end, has resulted in a lower number of speculative development applications.

### Capital

- 3.6 The revised capital budget for Operational Services stands at £4,656,199 including net slippage of £381,234 brought forward from 2023/24 including mandatory Disabled Facilities Grants of £388,864.
- 3.7 The forecast outturn position for Committee is £2,912,425, a net underspend of £1,743,774. There are underspends on two projects; one relates to the purchase of Waste bins, £1,000,000 was built into the budget as a contingency for buying new refuse bins when the Government's Strategic Waste Review progressed, replacing the black sacks currently used in the district. With the implementation date of the Review, April 2026, these will not now be purchased until the 2025/26 financial year. The second underspend is on the Bereavement Centre, also £1,000,000, where work on the ground will not now start until 2025/26, so less will be spent in the current year than was forecast when the budget was built.

3.8 There is an overspend on vehicles for the parks and gardens team (£256,226), as new vehicles have been purchased for the new contracts that ECTC has been awarded. These vehicles will be funded from Section 106 contributions.

#### **4.0 Arguments / Conclusions**

4.1 The current forecast is that the Committee's net revenue position will be an overspend of £335,000 at the end of the financial year.

#### **5.0 Additional Implications Assessment**

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

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

5.2 Financial Implications

The Committee overspend was incorporated into the overall third quarter Council Finance Report, which was presented to Finance and Assets Committee on the 30<sup>th</sup> January 2025.

#### **6.0 Appendices**

6.1 Appendix 1 – Revenue budget monitoring report – 31<sup>st</sup> December 2024.

6.2 Appendix 2 – Capital budget monitoring report – 31<sup>st</sup> December 2024.

#### **7.0 Background Documents**

Council Budget approved by Full Council on the 20<sup>th</sup> February 2024.