

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 Recommendations

- 2.1 Members are requested to note:
- This Committee has a projected year-end underspend of £21,000 when compared to its approved revenue budget of £7,969,054.
 - that overall, the Council has a projected year-end underspend of £331,000 when compared to its approved revenue budget of £19,249,383.
 - that the overall position for the Council on Capital is a projected outturn of £15,970,684, which is an overspend of £1,200,000 when compared to the revised budget.
 - the Treasury Management update report in Appendix 5.
- 2.2 Members are asked to approve the introduction of an additional fee in Planning as detailed in paragraphs 3.9 and 3.10 of the report.

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 2025/26 financial year, and details actual expenditure incurred, and income received as of 30th June 2025, and projections as to the year-end 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 budget lines under the stewardship of this Committee and the funding lines are shown in detail, with the Operational Services Committee position shown in summary.
- 3.4 The detailed revenue position for the Operational Services Committee is shown in Appendix 2. There is currently one forecast year-end variance, that being for Licencing and relates to additional income due to work in relation to Restricted Private Hire Licences.
- 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 2025, where no variance is forecast at year-end, are detailed in the table below:

Service	Variance	Explanation
Climate Change	(£121,313)	Grant income from the Combined Authority for biodiversity studies has been received in advance of spend.
Corporate Management	(£324,381)	Accruals for External Audit for 2022/23, 2023/24 and 2024/25 remain unpaid. This also includes a grant from MHCLG towards meeting the cost of these audit fees.
Cost of other Elections	£167,112	Expenditure in relation to external elections will be recovered during the year.
Economic Development	£689,623	Grant claimed for 2024/25 expenditure remains outstanding from the Combined Authority for various projects. [It should be noted that these have started to be received in the second quarter.]
Interest & Financial Transactions	£124,238	Interest for fixed term deposits is received at the end of the term, and so income received in the first quarter is lower than that actually earned in the period. Accruals will be raised at year-end, which are forecast to result in a balanced position.
Land Charges Admin	(£32,781)	Roll forward of MHCLG grant into 2025/26 – ring-fenced expenditure rules apply.

Local Elections	(£71,291)	Roll forward of MHCLG grant into 2025/26 – ring-fenced expenditure rules apply.
Local Plans	(£163,373)	Roll forward of Government Grant to support the development of Neighbourhood Plans.
Parking of Vehicles	(£16,684)	Increase in parking income in the first quarter.
Parks & Gardens	£33,419	Section 106 funding will be transferred at the end of the year to match expenditure.
Registration of Electors	(£22,642)	Roll forward of grant income from 2024/25 will be used to fund work in the current year.
Sport & Recreation	(£33,474)	Roll forward of unspent grant for Healthy You and Older Adults exercise programme.

- 3.6 The total forecast year-end underspend for Committee and the funding lines is £301,000. This covers a number of service areas, explanations for which are detailed in the table below:

Service	Variance	Explanation
General Gang	(£10,000)	Savings from a staff vacancy in the first quarter of the year.
Housing Benefits	£60,000	The budget was built on 2024/25 figures (the most recently available at the time), and the revised forecast is now based on 2025/26 expenditure forecasts.
Housing Strategic	(£32,000)	There were staff vacancies in the Housing Strategic team in the first quarter.
Legal Services	(£24,000)	Savings from staff vacancies in the first quarter.
Member & Committee Support	(£15,000)	A vacancy in the team in the first quarter has resulted in an underspend.
Internal Drainage Boards	(£163,000)	The Internal Drainage Boards prepare their budgets at the same time as the Council, so assumptions are made as to the actual levy to be charged. The

		forecast reflects the payments due, but more significantly, additional Government Grant received to meet the sharp increase in levy costs. (The grant announcement was only made in July 2025, and only a selected few councils are allocated funding, so while budget provision was built into the budget, a prudent approach was taken to the value of our contribution.)
Business Rates	(£117,000)	The rules with Renewable Energy receipts are that any over collection in year is credited to the accounts in the following year. The underspend being recorded reflects additional receipts in 2024/25.

Capital

- 3.7 The Council's revised capital budget stands at £14,770,684; including £1,553,906 of slippage brought forward from 2024/25.
- 3.8 The Council's outturn position is forecast to be £15,970,684, an overspend of £1,200,000. This forecast relates to East Cambs Trading Company (ECTC) borrowing, where ECTC's latest cash flow forecast details that they will require to borrow £2.7 million in this financial year, as opposed to the revised budget of £1.5 million.

Planning Charges

- 3.9 Planning wish to introduce a further charge into their schedule for pre-application advice in relation to whether or not planning permission is actually required. It has been noted that a number of requests are made to duty officers or have come via requests to drop a kerb (for example) with the County Council, where confirmation is required from the Council that formal planning permission is not required. It is possible to apply for a certificate of lawful development to find out this information, but this is a lengthy and often over formal process. It is therefore proposed, in line with a number of other local authorities, to bring in a charge to do this informally.
- 3.10 It is proposed that the charge should be £75 with a limit of one hour of officer time. This is in line with the current charging schedule for such levels of requests with respect to an hourly rate. This will allow customers to avoid the need for a full pre-app or to apply for a certificate where more basic information is required. The website would be updated accordingly.

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 Year-end 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 will therefore be 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 £32,153,183 at the end of June 2025 and had received interest on its cash investments during the first quarter of £117,381. This is in line with the forecast in the budget.

4.3 To note, the economic update in the report reflects the position at the end of June 2025.

5.0 Arguments/Conclusions

5.1 The current forecast net revenue expenditure for the Council is a £331,000 underspend compared to the approved budget.

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 – 30th June 2025

Appendix 2 – Operational Services Budget Monitoring Report – 30th June 2025

Appendix 3 – Capital Budget Monitoring Report – 30th June 2025

Appendix 4 – Reserve Balances – 30th June 2025

Appendix 5 – Treasury Management update – 30th June 2025

8.0 Background Documents

Council Budget approved by Full Council on the 25th February 2025

