

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 £322,000 when compared to its approved revenue budget of £7,969,054.
- that overall, the Council has a projected year-end underspend of £877,000 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.

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 second report for the 2025/26 financial year and details actual expenditure incurred, and income received as of 30th September 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 are currently three forecast year-end variances, that being for Licensing and related to additional income due to work in relation to Restricted Private Hire Licences, and the increased income for the last six months for Planning, and an overspend on Building Control due to less income in 2025/26.
- 3.5 With regard to the Finance & Assets Committee, the significant variances of actual spend compared to profiled budgeted spend at the end of September 2025, where no variance is forecast at year-end, are detailed in the table below:

Service	Variance	Explanation
Climate Change	(£123,240)	Grant income from the Combined Authority for biodiversity studies has been received in advance of spend.
Corporate Management	(£248,875)	Accruals for external audit fees for 2022/23 to 2024/25 remain outstanding at Quarter 2, including the related government grant. The position will be reviewed and adjusted at year-end.
Council Tax Collection Costs	(£11,038)	Council Tax collection costs are scheduled to be paid later in the financial year.
Cost of other Elections	£27,924	Expenditure in relation to external elections will be recovered in the year. Work has been done during Q2 to reconcile the elections.
Economic Development	(£277,190)	Grants received now, however, some of the claimants are yet to produce their invoices for payment.
Human Resources	£52,586	Insurance Journal to be done in Qtr 3
Land Charges Admin	(£34,903)	Roll forward of MHCLG grant into 2025/26 – ring fenced expenditure rules apply.
Local Elections	(£72,222)	Roll forward of MHCLG grant will be utilised in this financial year.
Strategic Plans	(£149,281)	The Government Grant to support the development of Neighbourhood Plans (previously referred to as Local Plans) has been rolled forward for use in the current financial year.

Management Team	£47,353	Costs related to Local Government Reorganisation (LGR) will be repaid by Cambridgeshire County Council (CCC).
Misc Finance	(£315,850)	Journal for MRP/Insurance recharge will be done at year end.
Office Accommodation	(56,446)	Recharge for Premises Asset Management will be done at the end of financial year
IT	£118,051	The renewals of the bulk of our licences are paid in the first six months of the year causing this profile distortion. This also includes 26/27 expenditure which will be rolled forward.
Parking of Vehicles	(£61,809)	There has been an increase in income at Angel Drove car park which has offset the increase in the business rates paid this year.
Parks & Gardens	(£77,396)	Recharge of staff will be done in quarter 3 this year. S106 costs to be recharged at the end of the year.
Registration of Electors	(£23,188)	Roll forward of grant income for election from 2024/25 will be used to fund work in the current year.
Sport & Recreation	(£17,109)	Roll forward of unspent grants for Healthy You and Older Adults exercise programme.

- 3.6 The total forecast year-end underspend for Committee and the funding lines is £322,000. This covers a number of service areas, explanations for which are detailed in the table below:

Service	Variance	Explanation
General Gang	(£20,000)	Savings from a staff vacancy in the first half of the year.
Housing Benefits	(£24,000)	The budget was built on 2024/25 figures (the most recently available at the time); the revised forecast is now based on 2025/26 expenditure forecasts done in August 2025.

Housing Strategic	(£32,000)	There were staff vacancies in the Housing Strategic team in the first half of the year.
Interest & Financial Transactions	(200,000)	Interest has been received over through efficient Treasury management and above the budgeted amount due to the investments made by the finance team.
Legal Services	(£46,000)	Savings from staff vacancies in the first half of the year.
Member & Committee Support	(£30,000)	Vacancies within the team in the first half of the year has resulted in an underspend.
Payroll	£16,000	The budget assumptions were based on the continuation of a partially managed service. As this option is no longer available and has been replaced by a fully managed service, costs have consequently increased.
Business Rates	(£117,000)	The rules with regards to 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
Public Conveniences	£14,000	Increased cost of cleaning cover for staff holiday and sickness at public toilets in the district
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.)

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 cashflow 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.

4.0 __Arguments/Conclusions

- 4.1 The current forecast net revenue expenditure for the Council is a £ 984,000 underspend compared to the approved budget.

5.0 Additional Implications Assessment

- 5.1 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

- 5.2 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.

6.0 Appendices

Appendix 1 – Summary Budget Monitoring Report – 30th September 2025

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

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

Appendix 4 – Reserve Balances – 30th September 2025

7.0 __Background Documents

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

