

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 £762,162 when compared to its approved revenue budget of £7,969,054.
- that overall, the Council has a projected year-end underspend of £1,154,162 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 £18,168,081, which is an overspend of £1,200,000 when compared to the revised budget.
- the Treasury Management update report in 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 2025/26 financial year and details actual expenditure incurred, and income received as of 31st December 2025 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 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 four forecast yearend variances, that being for Licencing and relates to additional income due to work in relation to Restricted Private Hire Licences, and the increased income for this last nine months for Planning, an overspend on building Control due to less income in the first three quarters of 2025/26, and a saving on staff in the Customer Services Team.
- 3.5 With regard to the Finance & Assets Committee, the significant variances of actual spend compared to profiled budgeted spend at the end of December 2025, where no variance is forecast at year-end, are detailed in the table below:

Service	Variance	Explanation
Asset Management	£56,773	Budgets allocations will be reconciled at year-end.
Closed Churchyards	£10,752	
Climate Change	(£54,568)	Grant income from the Combined Authority for biodiversity studies has been received in advance of expenditure and will be rolled forward into 2026/27 if not spent.
Corporate Management Policy Research / Review	(£204,673)	Accruals for external audit fees for 2022/23 to 2024/25 remain outstanding at Quarter 3, including the related government grant. The position will be reviewed and adjusted at year-end.
Cost of other Elections	£59,101	Expenditure in relation to external elections will be recovered in the year. Work has been done during Q2 to reconcile the elections.
Economic Development	£121,669	Grants have been given for Digital Inclusion in 2025/26. We are awaiting the funding from CPCA.
Land Charges Admin	(£28,419)	Roll forward of MHCLG grant into 2025/26 – ring-fenced expenditure rules apply.
Local Elections	(£78,472)	Roll forward of MHCLG grant will be utilised in this financial year.
Strategic Plans	(£152,138)	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	£44,169	Due to changes in staff within this team, the level of recharges to ECTC/SS will be lower this year. This will be offset by savings from one vacant post in the final quarter.

Office Accommodation	£12,592	Recharge for Premises Asset Management will be done at the end of financial year.
IT	(£87,446)	The renewals of the bulk of our licences are paid in the first nine months of the year causing this profile distortion. This also includes 26/27 expenditure which will be rolled forward.
Parking of Vehicles	(£83,272)	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	(£112,858)	Recharges will be processed in Quarter 4 of this financial year. Section 106 costs will be recharged at year-end.
Registration of Electors	(£13,455)	Roll forward of grant income for election from 2024/25 will be used to fund work in the current year.
Reprographics	£16,331	Journal recharges due to be posted in January 2026 to move costs from other depts into Reprographics.
Sport & Recreation	(£17,481)	Roll forward of unspent grants for Healthy You and Older Adults exercise programme.

- 3.6 The total forecast year-end underspend for the Committee and the funding lines is £762,162. This covers a number of service areas, explanations for which are detailed in the table below:

Service	Variance	Explanation
Crematorium	£11,439	Crematorium Revenue Costs for 2025/26.
General Gang	(£29,000)	Savings from a staff vacancy in the first 9 months of the year.
Housing Benefits	(£46,000)	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	(£471,279)	Interest income has exceeded the budgeted amount due to efficient treasury management and investments by the finance team, combined with interest rates remaining higher for longer than expected.

Legal Services	(£65,000)	Savings from staff vacancies in the first nine months of the year.
Miscellaneous Finance	(£100,322)	At the time of budget setting, capital expenditure was forecast to be higher; however, actual spend was lower than anticipated.
Member & Committee Support	(£60,000)	Vacancies within the team in the first nine months 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.
Public Conveniences	£14,000	Increased cost of cleaning cover for staff holiday and sickness at public toilets in the district
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
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 for 2025/26 stands at £6,968,081, which includes £1,553,906 of slippage carried forward from 2024/25 and an additional £2,197,397 for the Crematorium, reflecting the revised figures approved by Council on 22 May 2025.
- 3.8 The Council's outturn position is forecast to be £18,168,081 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 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 the 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 £37,716,954 at the end of December 2025 and had received interest on its cash investments during the third quarter of £1,170,825. This is higher than the amount forecast in the budget.

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

5.0 Arguments/Conclusions

- 5.1 The current forecast net revenue expenditure for the Council is a £1,271,162 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 – 31 December 2025
 Appendix 2 – Operational Services Budget Monitoring Report – 31 December 2025
 Appendix 3 – Capital Budget Monitoring Report – 31 December 2025
 Appendix 4 – Reserve Balances – 31 December 2025
 Appendix 5 – Treasury Management update – 31 December 2025

8.0 Background Documents

Council Budget approved by Full Council on 25 February 2025

