

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 £325,000 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 £2,717,516. This is an underspend of £1,938,683 when compared to its revised budget (£4,656,199)

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 second quarterly report for the 2024/25 financial year and details actual expenditure incurred and income received as of 30th September 2024 and the current projection as to the yearend position.

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 September, where no variance is forecast for yearend, are detailed in the table on the next page:

Service	Variance £	Explanation
Community Infrastructure Levy (CIL)	(£604,904)	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	£104,032	Expenditure has been paid against this cost centre that will be funded via Section 106 income at the end of the financial year.
Community Safety	(£22,022)	Police & Crime Commissioner (Serious Violence/Putting Communities First Funding) grant received in advance for 2024/25 has not yet been spent.
Environmental – Admin	£35,887	Recap partnership expenditure will be invoiced to the other partners in quarter three.
Environmental Health	(£126,125)	External grants that were rolled forward into 2024/25 remain unspent. These will be rolled forward into 2025/26 if not spent in year.
Homelessness	(£443,058)	Roll forward of the unspent funding from the County Council to support Ukrainians coming to the area. This will be spent in this and future years.
Travellers	£29,865	Greater expenditure than budgeted has been incurred repairing and maintaining the traveller's site in the first half of the year.

- 3.5 The net revenue expenditure for this Committee at yearend is forecast to be £7,459,292. This reflects a forecast £325,000 overspend when compared to the approved budget. This is the combination of the three forecast variations on service lines, as detailed in the table below.

Service	Forecast Outturn Variance £	Explanation
Building Control	£70,000	During the first half of the year there was a significant reduction in the number of applications being submitted. [This is not an isolated issue for East Cambs, but a national industry-wide decline.] In East Cambs we are still maintaining

		our market share within the District. This forecast represents the current view, however, after the latest Government announcement about house building, we are hopeful that planning relaxation may happen and result in the position improving before the end of the financial year.
Licensing	(£45,000)	Licensing income has been in advance of the budget in the first half of the year and is forecast to continue in the coming months.
Planning	£300,000	Planning income has been lower than budgeted in the first half of the year, due to the political 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 which 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 £2,717,516, an underspend of £1,938,683. This relates to three projects. The purchase of Waste bins; £1,000,000 was built into the budget as a contingency for buying new wheeled 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.
- 3.8 The year end forecast also projects an underspend of £1,000,000 on the Bereavement Centre, as the revised timetable for the project suggests that work on the ground will not start until the 2025/26 financial year. This funding will therefore need to be carried forward into future years to cover build costs in those years. There is also an overspend on vehicles (£61,317), this relates to Parks and gardens vehicles purchased and hired to ECTC. These costs will be covered by Section 106 funding at yearend.

4.0 Arguments / Conclusions

- 4.1 The current forecast is that the Committee's net revenue position will be an overspend of £325,000 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:

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 Committee overspend will be incorporated into the overall 2024/25 Council finance report, which will be presented to Finance and Assets Committee on the 28th November 2024.

6.0 Appendices

- 6.1 Appendix 1 – Revenue budget monitoring report – 30th September 2024.
- 6.2 Appendix 2 – Capital budget monitoring report – 30th September 2024.

7.0 Background Documents

Council Budget approved by Full Council on the 20th February 2024.