

TITLE: YEAR END BUDGET REPORT

Committee: Operational Services Committee

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1.0 Issue

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

2.0 Recommendations

2.1 Members are requested to note that Committee had a £135,580 yearend overspend on revenue, when compared to its approved budget of £6,907,262.

2.2 Members are further requested to note that the Committee had a capital programme outturn of £2,861,753. This is an underspend of £2,776,060 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 final report for Operational Services Committee for the 2023/24 financial year and details the yearend position incorporating actual expenditure incurred, income received and accruals as at 31st March 2024.

3.3 Revenue

3.3.1 The net revenue expenditure for this Committee at yearend was £7,042,842 an overspend of £135,580 when compared to the approved budget. This represents a combination of variations on each service line.

3.3.2 The revenue budget and net expenditure for each service that falls under the stewardship of this Committee are detailed in appendix 1.

3.3.3 Explanations for the larger yearend variances are detailed in the table below:

Service	Forecast Outturn Variance £	Explanation
Building Control	£40,155	Overspend on budget has been caused by a two-fold decrease in both applications being received in 2023/24 and the delay / postponement on several sites starting work due to the current cost of living and financial situation. A lot of applications are based on a 2-stage payment, initial payment upon submission followed by an inspection payment when work commences on site. A lot of developers have delayed their start on site, and this has a knock-on effect on projected and received income. Actual income year on year was within £1,000, but delays and reduced application numbers contributed heavily to the end overspend.
Community Projects & Grants	(£19,268)	Grants were promoted throughout the year, which generated interest and enquiries, however these did not all materialise into applications, therefore only two Facilities Improvement Grants were awarded.
Environmental Issues / Health – Admin & Misc	£25,156 (£26,317)	This represents our share of the expected costs to procure a new Materials Recycling Facility (MRF) contract from September 2024. The underspend in Health was due to reduced staff costs.
Homelessness	(£504,610)	Unspent external ringfenced grants from DLUHC and the County Council have been rolled forward into 2024/25. But Un-ringfenced funds, especially in relation to support to Ukrainian visitors, has been left as an underspend.
Leisure Centre	(£69,196)	Since COVID no formal management fee has been in place for the leisure centre, instead the yearend surplus has been determined on an open book approach. Participation at the Hive has increased more than forecast in 2023/24 and consequently, the

		surplus paid across to the Council has increased.
Licencing	(£45,571)	As per the report to Licencing Committee, Private Hire, Vehicle and Driver applications are increasing. This has led to an increase in income and Expenditure in 2023/24. This increase is likely to continue through the next three years, but exact numbers are not identifiable at this moment in time.
Planning	£563,795	<p>Planning fee income was significantly below budget during the year as the underlying level of activity in construction, planning and particularly small to medium size house building was subdued due to the macro-economic picture.</p> <p>Consequently, Planning finished with a budget shortfall of £564,000 despite the introduction of cost saving measures during the year, starting with the cessation of a full-time agency contract at the end of 2023; less use of consultants and the introduction of more efficient ways of determining planning applications to generate more fee income on repeat applications.</p>
Travellers	£30,182	Income received was lower than budgeted. The income budget for future years has been revised lower to reflect this position moving forward.
Refuse Recycling / Refuse Collection / Street Cleansing	£154,439	ECSS had a yearend overspend of £164,009. The Council at its meeting on the 20 th February 2024 agreed to cover any overspend up to £200,000 by an increase in Management Fee on an open book approach.

3.4 Capital

- 3.4.1 The revised capital budget for Operational Services stands at £5,637,813; including £956,307 of slippage brought forward from 2022/23 and a reduction of £5,793 on Disability Facilities Grant spend, where the capital element of the grant received from the County Council is lower than predicted in the budget.

- 3.4.2 The outturn position for Committee was £2,861,753, an underspend of £2,776,060. The main elements of the underspend are in relation to:
- 3.4.3 The purchase of Waste vehicles where the price agreed for the ten refuse collection vehicles was lower than that included in the budget. See report to Committee on the 27th March 2023.
- 3.4.4 The purchase of Waste bins, £1,000,000 was built into the budget as a contingency if the Government's Strategic Waste Review progressed. While the Waste Review is now progressing, this was not spent in 2023/24 and was carried forward into 2024/25 as part of the budget setting process.
- 3.4.5 A significant underspend on Disability Facilities Grant expenditure occurred during the COVID years and this has until now, been rolled over year to year. However, it is now felt unlikely that this work will ever catch up completely and as new funding is available in future years, it is proposed to only carry forward a proportion of the recorded underspend.

4.0 Arguments/Conclusions

- 4.1. The Committee's net revenue position is a yearend overspend of £135,580.

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 2023/24 Council finance report, which is to be presented to Finance and Assets Committee on the 27th June 2024.

6.0 Appendices

- 6.1. Appendix 1 – Revenue budget monitoring report – 31st March 2024.
- 6.2. Appendix 2 – Capital budget monitoring report – 31st March 2024.

7.0 Background documents

Council Budget approved by Full Council on the 21st February 2023