

TITLE: Financial Outturn Report 2023/24

Committee: Finance & Assets Committee

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Author: Director, Finance

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Contact Officer: Ian Smith

Director, Finance

Tel: (01353) 616470

E-mail: ian.smith@eastcambs.gov.uk

Room 104. The Grange, Ely

1.0 Issue

1.1 This report provides Members with yearend 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 yearend underspend of £1,965,000 when compared to its approved revenue budget of £6,028,412.
- that overall the Council has a yearend underspend of £2,596,480 when compared to its approved revenue budget of £16,856,960.
- that the overall position for the Council on Capital is outturn of £3,200,385, which is an underspend of £4,600,402 when compared to the revised budget.

2.2 Members are asked to approve the carry forward of slippage on the 2023/24 capital programme into 2024/25, as detailed in appendix 3.

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 final report for the 2023/24 financial year and details actual expenditure incurred, income received and accruals as at 31st March 2024.

Revenue

- 3.3 Appendix 1 details the overall revenue position for both this Committee and the Council overall. In appendix 1 the budgets under the stewardship of this Committee are shown in detail, with then, the position for the Operational Services Committee and the funding lines shown in summary.
- 3.4 The detailed revenue position for the Operational Services Committee is shown in appendix 2. There are nine yearend variances of over £10,000 being reported, with the net position being that the Committee has overspent by £135,580 at yearend when compared to its net budget. The main factor leading to this is a £564,000 overspend on Planning where income levels were significantly lower than the level anticipated when the budget was built, an overspend within ECSS on Refuse Recycling & Collection and Street Cleansing of £154,000, Building Control £40,000 due to a decrease in income and a lower amount of income received within the travellers budget this year, £30,000. This was partially counteracted by unringfenced funds in relation to Ukrainian visitors being left as an underspend £505,000, GLL paying an increased surplus to the Council, £69,000 in relation to the Hive, an increase in income from Licencing £46,000 and an underspend in Community Projects & Grants as only two grants were awarded this year, £19,000. Further details are included in the Budget Monitoring Report to be presented to Operational Services Committee on the 24th June 2024.
- 3.5 Explanations for the year-end variances reported for this committee are detailed in the table below :

Service	Variance £	Explanation
Asset Management	£46,268	The cost of work in 2023/24 increased due to unforeseen problems not known about when work commenced – this led to additional work being carried out.
Corporate Management	(£153,857)	The 2022/23 external Audit is now expected to be less substantive than in previous years, therefore we expect the cost charged to be reduced.
Council Tax Accounting	£20,740	ARP overspent its budget and therefore required a further payment from each of its partner authorities
Crematorium	£16,210	Expenditure was incurred moving the project forward to final business case
Data Management Reprographics	£10,017 (£15,345)	Increased machine and staff costs over the past 12 months caused a overspend in the DMS/Reprographics team. This has been counteracted by increased funds generated by the Reprographics team.

Economic Development	(£89,152)	Income was in advance of expectation during the year, helped by a multi-room tenant remaining at E-space South for longer than anticipated.
General Gang	(£54,063)	This resulted from a staff vacancy in the team throughout this financial year.
Housing Benefits	(£11,275)	Because of timing issues, the 2023/24 budget for housing benefits reflects 2022/23 expenditure, whereas the actual reflects transaction in year.
Housing Strategic	(£194,384)	There were savings in staff costs due to vacancies in the team with some posts being filled via SLAs . There was also an underspend on the consultancy budget.
HR	(£26,049)	The majority of in-house training costs were covered by other sources of funding, therefore there is an underspend on the budget in year.
Interest & Financial Transactions	(£1,294,221)	The Council is benefiting from improved interest rates on its treasury investments leading to higher receipts than budgeted.
Land Charges Admin	£39,753	The loss of income for LLC1 searches proved to be a significant reduction in Local Land Search fees over the year. This has been counteracted to some degree by a saving in staff but the net position still shows an overspend.
Legal	(£37,480)	Vacancies in the Legal Team have resulted in a saving on salaries. The increase in Council legal service fees have virtually doubled this year.
Local Plans	(£48,855)	Grant was received from DEFRA for Ecology work. This produced saving in both the consultant & staffing budgets.
Management Team	(£10,350)	More of the Director, Commercial's time was charged to the trading companies, leading to this underspend.
Member & Committee Support	(£68,862)	This reflects vacancies within the department during the 2023/24. The Members ICT budget allowed for all

		new councillors to have laptops, however only a few of them requested them in 2023/24.
Miscellaneous Finance	(£84,031)	Unrequired reserves were written off during the year.
Miscellaneous Properties	(£18,047)	Increased income received in 2023/24 for council properties.
Parking of Vehicles	(£46,558)	Car parking income slowly got back towards pre-Covid levels. We received a rates reduction on Car Parks and did not need to spend the ground contract budget at the Hive.
Public Conveniences	£52,628	A requirement for increased standards of cleanliness since Covid have meant we have cleaned the toilets more frequently. Furthermore, we have had to use temporary staff to cover sickness and holiday as it is a seven day service.
Register of Electors	(£14,475)	Printing costs reduced in 2023/24 and sales of Electoral Registers increased threefold over the year.
Trees Preservation	£36,956	Equipment hire costs were charged for 2023/24, plus staffing costs from a previous financial year.
Internal Drainage Board	(£61,275)	One-off Government support grant was provided in 2023/24.
Other Government Grants	(£95,063)	Government provided grant funding to allow local authorities to support the most vulnerable households, this value reflects the amount that we received.
Movement in Reserves / Funding	£47,693	This reflects the spending of the above grant, less a reduced payment to the Combined Authority for Business Rates for Lancaster Way.
Business Rates	(£658,766)	Much of this additional income relates to solar farms where the District Council retains 100% of Business Rates.

Capital

- 3.7 The Council's revised capital budget stands at £7,800,787; including £1,237,281 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.
- 3.8 The outturn position is £3,200,385, an underspend of £4,600,402. The underspend primarily relates four projects:
- The purchase of Waste vehicles where the price agreed for the ten refuse collection vehicles is lower than that originally expected. See report to Operational Services Committee on the 27th March 2023.
 - The contingency budget set up for the purchase of new Waste bins, was not spent in 2023/24.
 - Disability Facility Grants, where a significant underspend occurred in the COVID years, which has since been carried forward. It is now considered unlikely that the Council will be able to totally catch up with this work and as budget provision is built into the MTFS for future years, only a proportion will be carried forward.
 - ECTC didn't require any further borrowing from the Council in 2023/24, indeed during the year, £1,000,000 of the amount previously loaned was paid back to the Council. The total value now loaned is £5,000,000.

4.0 Arguments/Conclusions

- 4.1. The net revenue underspend for the Council is £2,596,480 when compared to the budget approved by Council in February 2023. This will be moved to the Surplus Savings Reserve.

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 underspend reported in this report has been 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 – 31st March 2024

Appendix 2 – Operational Services Budget Monitoring Report – 31st March 2024.

Appendix 3 – Capital Budget Monitoring Report – 31st March 2024.

Appendix 4 – Reserve Balances – 31st March 2024

7.0 Background documents

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