

TITLE: BUDGET MONITORING REPORT

Committee: Operational Services Committee

Date: 31 January 2024

Author: Director, Finance

Report No: Y132

Contact Officer: Ian Smith, Director, Finance, (01353) 616470
ian.smith@eastcambs.gov.uk Room 104, The Grange, Ely

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 Committee is currently projecting a £547,000 yearend overspend on revenue, when compared to its approved budget of £6,904,891.

2.2 Members are further requested to note that the Committee has a projected capital programme outturn of £3,775,147. This is an underspend of £1,862,666 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.

3.1. This is the third quarterly report for the 2023/24 financial year and details actual expenditure incurred and income received as of 31st December 2023 and the current projection as to the year-end position.

Revenue

3.2. 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.

3.3. The significant variances of actual spend compared to profiled budgeted spend at the end of December, where no variance is forecast for yearend, are detailed in the table on the next page:

Service	Variance £	Explanation
Community Infrastructure Levy (CIL)	(£2,736,323)	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	£75,077	Expenditure in relation to Section 106 income will be reconciled at the end of the financial year.
Health – Admin & Misc.	(£117,399)	External grants had been rolled forward into 2023/24. As they are ringfenced they will be rolled forward into 2024/25 if still unspent.
IT	£133,473	Payments for software and hardware have been made in advance to get better prices, these pre-payments will be rolled forward into 2024/25. Some expenditure will also be covered from reserve.
Licensing	(£93,175)	Income has been received from taxi companies in relation to three-year licences, some of this will be rolled forward at yearend, so it is accounted for in the correct financial year.

- 3.4. The net revenue expenditure for this Committee at yearend is forecast to be £7,451,891. This reflects a forecast £547,000 overspend when compared to the approved budget. This is the combination of five forecast variations on service lines, as detailed in the table below.

Service	Forecast Outturn Variance £	Explanation
Building Control	£30,000	The budget position has been affected by reduced activity on transitional applications, less schools work due to movement of funding to national RACC initiative and the overall decline in planning application plus the continued cost of living implications. All contributing to the overspend detailed.

Environmental Issues	£32,000	This represents our share of the expected costs to procure a new Materials Recycling Facility (MRF) contract from September 2024.
Homelessness	(£50,000)	Unspent external grants from DLUHC and the County Council have been rolled forward with further grant also received in 2023/24. Some staff time has been diverted to work on these projects resulting in an underspend in the main staff budget.
Planning	£500,000	At the end of December 2023 the fee income position has not demonstrably improved despite the introduction of national increases in fee levels from 6 th December 2023. It is likely that the effect of the uplift in fees will improve the position in quarter four, but the underlying level of activity in construction, planning and particularly small to medium size house building is still subdued due to the macro-economic picture. On this basis we can estimate a fee income shortfall compared to budget of approximately £500,000 which is now worse than the shortfall estimated at £400,000 at the end of quarter two. The Planning Service is introducing cost saving measures, starting with the cessation of a full-time agency planner contract at the end of 2023; less use of consultants, unless funded by developers and introducing more efficient ways of determining planning applications to generate more fee income on repeat applications.
Travellers	£35,000	Rental income is down against the budget. The budget has been revised for 2024/25 to reflect this position.

Refuse Recycling / Refuse Collection / Street Cleansing	£0	ECSS is currently forecasting a yearend overspend of £165,000, this at the end of the third quarter. No formal request has been made by the ECSS Board for additional management fee and indeed, they have been asked to find mitigating actions to come in on budget at yearend, but this figure is reported for information.
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Capital

- 3.5 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.
- 3.6 The forecast outturn position for Committee is £3,775,147, an underspend of £1,862,666. The main elements of the underspend are in relation to:
- The purchase of Waste vehicles where the price agreed for the ten refuse collection vehicles is lower than that included in the budget. See report to Committee on the 27th March 2023. While this underspend is reported at this point, there remains the potential that some of this may be utilised following a review of small fleet requirements within ECSS.
 - 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, timelines are far from clear, but this will not now be spent in 2023/24 and will instead be carried forward into 2024/25.

4 ARGUMENTS/CONCLUSION(S)

- 4.1 The current forecast is that the Committee's net revenue position will be an overspend of £547,000 at the end of the financial year.

5 FINANCIAL IMPLICATIONS / EQUALITY IMPACT STATEMENT / CARBON IMPACT ASSESSMENT

- 5.1 There are no additional financial implications arising from this report other than those detailed above.
- 5.2 An equality Impact Assessment (INRA) is not required.
- 5.3 A Carbon Impact Assessment (CIA) is not required.

6 APPENDICES

Appendix 1 – Revenue budget monitoring report – 31st December 2023.

Appendix 2 – Capital budget monitoring report – 31st December 2023.

Background Documents: Council Budget approved by Full Council on the 21st February 2023

OPERATIONAL SERVICES COMMITTEE BUDGET MONITORING REPORT - DECEMBER 2023							
Revenue	Total Budget 2023-24	Profiled Budget to 31 December 2023	Actual to 31 December 2023	Variance	Forecast Outturn	Variance between Total Budget & Projected Outturn	Variance between Total Budget & Projected Outturn September 2023
	£	£	£	£	£	£	£
Building Regulations	36,736	10,882	45,942	35,060	66,736	30,000	15,000
CIL	--	9,500	(2,726,823)	(2,736,323)	--		
Civic Amenities Act	--	--	--	--	--		
Climate Change	100,000	75,000	66,745	(8,255)	100,000		
Community Projects & Grants	193,482	121,327	196,404	75,077	193,482		
Community Safety	62,133	83,726	92,776	9,050	62,133		
Cons.Area & Listed Buildings	69,861	52,396	53,433	1,037	69,861		
Customer Services	543,885	421,978	418,960	(3,018)	543,885		(5,000)
Dog Warden Scheme	43,226	32,486	34,588	2,102	43,226		
Ely Markets	--	--	--	--	--		
Emergency Planning	30,024	1,187	10,444	9,257	30,024		
Environmental Issues	147,961	90,541	86,063	(4,478)	179,961	32,000	32,000
Health - Admin. & Misc.	529,805	384,387	266,988	(117,399)	529,805		
Homelessness	247,158	129,255	(1,543,720)	(1,672,975)	197,158	(50,000)	(50,000)
IT	1,011,782	828,100	961,573	133,473	1,011,782		
Leisure Centre	(301,550)	7,155	7,913	758	(301,550)		
Licencing	19,067	13,775	(79,400)	(93,175)	19,067		
Marketing & Grants	42,192	26,000	23,137	(2,863)	42,192		
Neighbourhood Panels	1,500	1,125	1,018	(107)	1,500		
Nuisance Investigation	103,673	77,755	79,009	1,254	103,673		
Pest Control	11,033	8,275	7,163	(1,112)	11,033		
Planning	253,594	168,689	689,261	520,572	753,594	500,000	400,000
Public Relations	109,883	82,412	87,063	4,651	109,883		
Refuse Recycling	1,276,987	957,740	957,740	--	1,276,987		
Refuse Collection	1,497,443	1,123,082	1,113,138	(9,944)	1,497,443		
Street Cleansing	876,471	657,353	657,353	--	876,471		
Street Naming & Numbering	16,704	12,528	2,593	(9,935)	16,704		
Travellers Sites	(18,159)	(49,757)	12,918	62,675	16,841	35,000	15,000
Revenue Total	6,904,891	5,326,897	1,522,279	(3,804,618)	7,451,891	547,000	407,000

CAPITAL BUDGET MONITORING 2023/24

Capital	Published Budget 2023-24 £	Slippage from 2022-23 £	Approved Additions £	Revised Budget 2023-24 £	Actual at 31st December 2023 £	Forecast Outturn £	Variance between Revised Budget & Forecast £
<u>OPERATIONAL SERVICES</u>							
Conservation Area Schemes - 2nd round		27,506		27,506		27,506	0
Refuse & Cleansing Vehicles	2,775,000			2,775,000	1,931,148	1,912,334	(862,666)
Waste - Wheelied Bins	1,040,000			1,040,000	33,558	40,000	(1,000,000)
Mandatory Disabled Facilities Grants	697,299	928,801	(5,793)	1,620,307	456,149	1,620,307	0
Empty Properties, Discretionary DFGs, Minor Works, Home Repair Asst.	75,000			75,000	54,212	75,000	0
Vehicle Etc. Replacements	100,000			100,000	70,006	100,000	0
Leisure Centre				0	(18,038)	0	0
Total	4,687,299	956,307	(5,793)	5,637,813	2,527,035	3,775,147	(1,862,666)

SOURCES OF FINANCING	Published Budget 2023-24 £	Slippage from 2022-23 £	Approved Additions £	Revised Budget 2023-24 £	Variances £	Forecast Outturn £
Operational Services						
Grants / Contributions (DFG)	608,471	404,111	(5,793)	1,006,789		1,006,789
Capital Receipts	203,828	552,196		756,024	0	756,024
Borrowing	3,775,000	0		3,775,000	(2,662,666)	1,112,334
Section 106 / CIL	100,000	0		100,000	800,000	900,000
Capital Funding Total	4,687,299	956,307	(5,793)	5,637,813	(1,862,666)	3,775,147