

COMMUNITY AND SOCIAL AFFAIRS COMMITTEE

20 MARCH 2013

REPORT OF HEAD OF CENTRAL SERVICES

BUDGET MONITORING APRIL TO DECEMBER 2012

1.0 PURPOSE OF THE REPORT

- 1.1 To provide information on actual expenditure and income incurred on this Committee's services compared to the latest approved budget for the period 1st April 2012 to 31st December 2012

2.0 RECOMMENDATION

- 2.1 *It is recommended that the financial position on each of this Committee's services to 31st December be noted.*

3.0 KEY ISSUES

- 3.1 As part of the Council's budget monitoring procedures all budget holders are asked on a quarterly basis to provide details of service and financial performance. Copies of the budget holders' returns are available for further information.

Overall Position

- 3.2 A summary of income and expenditure for all of this Committee's services is attached at Appendix A. This information has previously been circulated to Members as part of the Members' Newsletter.
- 3.3 A summary of the income and expenditure for this Committee's services compared to the approved budget at December 2012 is as follows:

	Approved Budget @ Dec 12 £	April to Dec 12 Budget £	April to Dec 12 Net Expenditure £	Variance Under spend (-) £
General Expenses	2,291,980	2,414,049	2,074,999	-339,050
Special Expenses	614,070	493,615	470,071	-23,544

- 3.4 The above figures show an under spend of £339,050 against the budget to-date for general expenses and an underspend of £23,544 for Special Expenses; the reasons for this being explained in paragraph 3.6 below.

Key Service Areas

- 3.5 The latest Key Service Areas report is attached at Appendix B being to the end of January 2013 with the CSA service areas highlighted. This report is presented to the Management Team on a monthly basis and highlights the high risk budgets that were identified as part of the Council's budget protocols. These budgets are reviewed with budget holders monthly. Those budgets which are more complex in nature are supported by more detailed analysis of the service usage that drives the costs.

Budget Variance Exception Reporting +/- £10k

3.6 As part of the budget monitoring process variances are being promptly and proactively managed facilitating more detailed reporting. Details of the potential 'full year' effect of the more significant variations +/-£10k are also set out below.

3.6.1 Overspends

Rent Allowances - £17,552

Overspend is due to higher expenditure than budget to date and also the fact that the Council is currently receiving a lower level of subsidy compared to the expenditure incurred. The majority of the present shortfall will be reimbursed to us when the final subsidy claim is submitted at the end of the financial year. It is not possible to ascertain the likely position with any accuracy at the year end on this budget due to the volatile nature of subsidy but this budget is subject to monthly monitoring.

Homelessness - £30,131

Overspend to date is due to the inclusion of commitments for the use of leased properties to the end of the financial year. The levels of commitments have been subsequently reviewed as they also include estimates for the use of bed and breakfast accommodation, a proportion of which need to be cancelled if the time stayed differs from that initially estimated. The budget is subject to monthly monitoring and the levels of homelessness are being constantly reviewed. At present any financial impact can be met from increased levels of income and the use of grant monies received specifically to tackle homeless related issues. As such no variance is predicted at the year end over that budgeted.

Commissioning Children's Services - £25,596

Overspend due to inclusion of commitments for majority of projected activities for the year. As all expenditure incurred is reimbursed it is not predicted that there will be any issues with this service at the year end.

Strategic Arts Development – £10,999

The overspend to date relates an increase in pension contributions over that budgeted. In addition the amount spent on arts initiatives is in excess of the budget. However, as some of this relates to health and wellbeing this increased cost can be met from grant monies received specifically for this purpose. As the increased pension can be met from virements from other services and the increased arts initiatives from the grant monies it is not anticipated that there will be any budget variation on this service at the year end.

Strategic Sports Development - £26,089

The overspend to date is due to the inclusion in the year to date figures of commitments related to the 2012 Olympics and also projects associated with the agreed physical activity development plan which will be re-imbursed by Leicestershire Rutland Sports. As these costs are within agreed budgets it is not anticipated that there will be a variation at the year end.

3.6.2 Underspends

Waterfield Leisure Pools - £34,815

Underspend is due to the delay in employing the client officer which was being advertised in January 2012 and also invoices awaited from the contractor for car park refunds. It has subsequently been agreed to use a proportion of the accrued savings from the client officer to enable further work to be progressed on the housing foyer project.

Rent Rebates – HRA Tenants - £69,609

Underspend is due to higher expenditure than budget to date offset by the fact that the actual to date figure includes subsidy in respect of Non HRA Rent Rebates which is transferred at the year end. It is not possible to ascertain the likely position with any accuracy at the year end on this budget due to the volatile nature of subsidy but this budget is subject to monthly monitoring.

Customer Service Centre - £66,603

Underspend to date relates to salary savings accrued and the non receipt of invoices for reception cover at Parkside, some equipment purchased and a licence which had been expected. The salary savings have accrued due to vacant posts and the use of agency staff has not been required during the year. The savings on this budget have been committed to provide interim management support to the Customer Service Team and mentoring services to key transformational staff provided by a third party contractor which will continue into the new year. As a result any unspent monies will be the subject of a carry forward request at the year end.

Community Service Grants - £28,036

Under spent as revised payment schedule for Melton Citizens Advice Bureau and payment to insolvency practitioner still being finalised. Any variation on this service at the year end is dependent on the outcome of the negotiations with the insolvency practitioner. Early indications show that unallocated funds will contribute to savings realised in 2012/13.

Community Safety - £21,468

Underspend to date relates to delays in the commencement of community safety initiatives or where initiatives have commenced invoices are awaited from suppliers. However, these projects are fully committed and expenditure will be incurred in the remainder of the financial year. The other major factor contributing to the underspend is the receipt of monies from Job Centre Plus for milestones achieved through the Flexible support worker role. As the achievement of the milestones and the additional monies generated formed part of the original funding bid these monies will need to be carried over to 2013/14 to form part of the overall funding of the post for next year. It is therefore expected that there will be no variation on this budget at the year end.

Welland Wheels to Work - £24,154

Underspend relates to lower expenditure to date and contributions received from users of the service. As any lower levels of expenditure will be offset by lower use of contributions received, and any unused grant monies will be transferred to future years to fund the continuation of the service no variation is expected at the year end.

Council Tax Benefit - £102,823

Underspend relates to lower levels of council tax benefit awarded to date and increased subsidy being received based on the mid-year subsidy claim submitted. In addition not all of the grant awarded for Council Tax Support has been spent to date. In relation to the council tax benefit awarded and subsidy received this will be adjusted when the final claim is submitted. This element of the service is subject to monthly budget monitoring and any variations acted on accordingly. In relation to the Council Tax support grant it is possible that the remainder of the grant will be spent this financial year to support the implementation or carried forward until next year when the scheme itself will come into effect.

4.0 POLICY AND CORPORATE IMPLICATIONS

4.1 Policy and corporate implications were addressed in setting the current year's budget. There are no further policy and corporate implications arising from this report.

5.0 FINANCIAL AND OTHER RESOURCE IMPLICATIONS

5.1 All financial and resource implications have been addressed within paragraph 3.0.

6.0 LEGAL IMPLICATIONS/POWERS

6.1 Legal implications/powers were addressed in setting the current year's budget. There are no further legal implications arising from this report.

7.0 COMMUNITY SAFETY

7.1 Community safety issues were addressed in setting the current year's budget. There are no further community safety issues arising from this report.

8.0 EQUALITIES

8.1 Equalities issues were addressed in setting the current year's budget. There are no further equalities issues arising from this report.

9.0 RISKS

9.1 The regularity of budget monitoring for each specific budget is based on the level of risk attributed to that budget. This is determined at the start of the financial year and is reported to members as part of the Council Tax setting report.

10.0 CLIMATE CHANGE

10.1 There are no climate change issues arising from this report.

11.0 CONSULTATION

11.1 Budget Holders and the Service Accountant discuss the financial performance of the service accounts at budget monitoring meetings arranged with reference to current budget monitoring protocols.

12.0 WARDS AFFECTED

12.1 All wards are affected.

Contact Officer: David Wallbanks

Date: 18 February 2013

Appendices: Appendix A – Summary of Income & Expenditure
Appendix B – Budget Monitoring – Key Services Areas

Background Papers: Oracle Financial Reports
Budget Holder Comments on Performance

Reference: X:/C'ttee, Council & Sub-C'ttees/CSA/2012-13/20-03-13/Budget
Monitoring April to December 2012