

COMMUNITY AND SOCIAL AFFAIRS COMMITTEE

20 MARCH 2012

REPORT OF HEAD OF CENTRAL SERVICES

BUDGET MONITORING APRIL TO DECEMBER 2011

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 2011 to 31st December 2011

2.0 RECOMMENDATION

- 2.1 *It is recommended that the financial position on each of this Committee's services to 31th 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 2011 is as follows:

	Approved Budget @ Dec 11 £	April to Dec 11 Budget £	April to Dec 11 Net Expenditure £	Variance Underspend (-) £
General Expenses	1,963,080	2,120,570	2,194,090	73,520
Special Expenses	606,720	477,693	399,326	-78,367

- 3.4 The above figures show an overspend of £73,520 against the budget to-date for general expenses and an underspend of £78,367 for Special Expenses; reasons being explained in paragraph 3.6 below.

Key Service Areas

- 3.5 The Key Service Areas report is attached at Appendix B 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. To enable the position reported to be as up-to-date as possible the key service areas report to the end of January 2012 is attached. 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.

3.6 **Budget Variance Exception Reporting +/- £10k**

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

Waterfield Leisure Pools - £21,990

Overspend on this service is due to duplicate invoices being received from SLM re: car park refunds for pool users. As credit notes have been requested for these invoices it is expected that there will be no significant variation on this service at the end of the financial year

Rent Allowances - £72,917

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 - £62,300

Overspend to date due to costs arising out of increased levels of homeless activity and includes commitments relating to the use of leased properties for the whole of the financial year. Indications are that levels of homelessness are improving through the pro-active prevention work undertaken although the usage of B&B remains consistent as the vulnerability of homeless people increases during colder weather. Due to the nature of this service it is impossible to predict with certainty the likely year end variation. However the situation is constantly reviewed and at present it appears likely that any variation can be met from savings on other budgets.

Commissioning Childrens Services - £129,700

Overspend due to inclusion of commitments for majority of projected activities for the year. In addition reimbursement of expenditure takes place after the end of the relevant quarter and as such the amount due from LCC for Sept –Dec 2011 is not yet reflected in the actuals. As all expenditure incurred is reimbursed it is not predicted that there will be any issues with this service at the year end.

3.6.2 Underspends

Supporting People - £27,781

Underspend is due to the fact that invoices in respect of the Harborough Control Centre charges and Tunstall service agreement are awaited. As these are within agreed budgets no variation is predicted at the year end

Customer Service Centre - £12,496

Underspend is due to staff vacancies which are partially offset by commitments in relation to replacement uniforms and the purchase of essential equipment. It is anticipated that the current vacancy savings will reduce as posts are filled in the remainder of the year and any additional savings will be required to provide cover for anticipated staff sicknesses and maternity. In addition there is a need to provide for the payment of reception costs of staff provided by LCC which form part of the service charge for Parkside. As a result of this it is expected that there will be no variation on this service at the year end.

Community Service Grants - £14,554

Underspend due to payments not yet made to Citizens Advice Bureau (CAB) insolvency practitioners. The remaining budget is likely to be required to covers costs associated with the development of key service provision in light of the CAB closure and Voluntary Action Melton (VAM) reorganisation and as such no variation is expected at the year end

Community Safety - £91,793

Underspend to date relates to delays in the commencement of community safety initiatives or where commenced where invoices are awaited. 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 income relating to the 2012/13 financial year received in advance. As this will be adjusted accordingly at the year end no variation is expected.

Strategic Sports Development - £14,978

Underspend is due to lower salary costs to date and additional income being reflected to date in the actuals to cover all sport related activities programmes for the year. As this income is fixed and all activities subject to plans submitted to the funding bodies no variation is predicted at the year end.

Town Area Community Centre - £22,125

Underspend primarily due to lower energy costs where invoices are awaited from the utility companies.

Cemetery - £12,527

Underspend due to lower premises related costs as the service continues to be provided in a more cost effective manner. It is possible that some of the savings to date might be utilised to provide additional security, regular recorded visual inspections and increased public points of contact.

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: 29 February 2012

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:\Cttee,Council & Sub Cttees\CSA\2011-12\200312/Budget Monitoring
April to December 2011