

# AGENDA ITEM 7

## COMMUNITY AND SOCIAL AFFAIRS COMMITTEE

18 MARCH 2015

### REPORT OF HEAD OF CENTRAL SERVICES

#### BUDGET MONITORING APRIL TO DECEMBER 2014

#### 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 1<sup>st</sup> April 2014 to 31<sup>st</sup> December 2014

#### 2.0 RECOMMENDATION

- 2.1 *It is recommended that the financial position on each of this Committee's services to 31<sup>st</sup> December 2014 and yearend forecast 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 2014 is as follows:

	Approved Budget @ December 14 £	April to December 14 Budget £	April to December 14 Net Expenditure £	Variance Underspend (-) £	Year End Forecast £	Year End Variance Underspend (-) £
General Expenses	2,312,590	1,752,935	2,258,701	505,766	2,295,769	-16,821
Special Expenses	583,020	441,414	471,684	30,270	585,520	7,900

- 3.4 The above figures show a forecast underspend against the budget to-date for general expenses of £16,821 and an overspend of £7,900 for Special Expenses; the reasons for this being explained in paragraph 3.6 below.

#### Key Service Areas

- 3.5 The Key Service Areas report is attached at Appendix B to the end of January being the latest available to the agenda date with the CSA service areas shown. 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.

### **Forecast Variance Exception Reporting +/- £10k**

- 3.6 As part of the budget monitoring process variances are being promptly and proactively managed facilitating more detailed reporting. The forecast variations of +/-£10k are as follows:

#### **Underspends**

Rent Allowances £20,629

The current forecast for the year end is looking at a favourable variance, due to the percentage subsidy predicted being higher than is actually being received and an increase in overpayment recovery. As we become more efficient in identifying fraud and error there is a risk of increased volatility in this budget, however overpayment recovery has reversed the adverse variance at this current time. Further investigation to determine exact causes for the issues is currently being undertaken. Higher eligible overpayments which attract less subsidy is offset by higher overpayment income than budgeted for, which may need adjusting as there is a current delay in the raising of invoices.

Customer Service Centre £17,000

The current forecast is showing a underspend linked to software costs as the budgeted spend is no longer fully required.

#### **Overspends**

Community Safety £19,000

An overspend has been forecast for this budget due to unforeseen ICT costs of £4,000 and an unexpected loss of income. The expected income was from a third party who are currently experiencing financial difficulties and are therefore unable to make the contribution. The costs that were expected to be offset by this income had already been incurred.

## **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: Emma Peters

Date: 27 January 2015

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\2014.15\180315/Budget Monitoring GF Apr to Dec 2014