

COMMUNITY AND SOCIAL AFFAIRS COMMITTEE

21 SEPTEMBER 2010

REPORT OF HEAD OF FINANCIAL SERVICES

BUDGET MONITORING APRIL TO JUNE 2010

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 2010 to 30th June 2010

2.0 RECOMMENDATION

- 2.1 *It is recommended that the financial position on each of this Committee's services to 30th June 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 June 2010 is as follows:

	Approved Budget @ June 10 £	April to June 10 Budget £	April to June 10 Net Expenditure £	Variance Underspend (-) £
General Expenses	2,113,700	2,223,304	2,274,351	51,047
Special Expenses	515,030	136,883	135,603	-1,280

- 3.4 The above figures show an overspend of £51,047 against the budget to-date for general expenses and an underspend of £1,280 for special expenses; reasons for the former 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 July 2010 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.

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

Customer Service Centre £18,175

The overspend is due to variations in the internal recharges outside the control of the budget holder.

Community Service Grants £22,529

The overspend on this service is due to the timing of payments to organisations. The budget is fully committed and as such the overall variance at the end of the year will be nil.

Commissioning Childrens Services £104,350

The overspend on this service is due to the fact that expenditure is reimbursed in arrears from Leicestershire County Council. Since all expenditure will be reimbursed the overall variance at the year end will be nil.

Council Tax Benefit £177,300

This reflects the increase in benefit payments awarded arising out of the current economic situation. The increased expenditure will be met by increased subsidy. This service is subject to monthly monitoring and any variances acted on accordingly.

Town Area Community Centres £20,153

The overspend on this service relates to a delay in finalising the service charge due to LCC for 2009/10. This has now been done and the invoice raised in respect of these charges.

3.6.2 Underspends

Waterfield Leisure Pools £14,197

Underspend due to invoices awaited from contractor for car parking refunds.

Countryside Recreation £12,244

Underspend due to invoices not yet received in respect of the Council's contribution towards the Grantham Canal Co-ordinator.

Rent Rebates – HRA Tenants - £82,335

Underspend is due to lower expenditure than budget to date and also the fact that the Council is currently receiving an increased level of subsidy based upon an initial estimate made prior to the financial year and includes subsidy in respect of Non HRA Rent Rebates which is transferred at the year end . This situation will be rectified when the Council submits a mid year estimate at the end of August. This service is subject to monthly monitoring and any variances acted on accordingly

Rent Allowances - £66,465

Underspend is due to an increased level of subsidy being received based upon an initial estimate of subsidy due made prior to the financial year. This situation will be rectified when the Council submits a mid year estimate at the end of August. This service is subject to monthly monitoring and any variances acted on accordingly

Supporting People - £37,122

Underspend is due to the fact that invoices in respect of the Harborough Control Centre charges are awaited and also payments of supporting people grant are currently more than the year to date budget

Community Safety - £27,887

Underspend to date relates to delays in the commencement of community safety initiatives. However, these projects are fully committed and expenditure will be incurred in the remainder of the financial year. These reductions are partially offset by a reduction in income to date due to a delay in the receipt of monies due to us from the Government re: Family Intervention Project.

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: 20th August 2010

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/Committees/CSA/2010-11/210910/Budget Monitoring Apr-June 10