

COMMUNITY AND SOCIAL AFFAIRS COMMITTEE

19 SEPTEMBER 2012

REPORT OF HEAD OF CENTRAL SERVICES

BUDGET MONITORING APRIL TO JUNE 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 30th June 2012

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 2012 is as follows:

	Approved Budget @ June 12 £	April to June 12 Budget £	April to June 12 Net Expenditure £	Variance Under spend (-) £
General Expenses	2,177,310	2,661,670	2,414,447	-247,223
Special Expenses	614,070	173,905	189,687	15,782

- 3.4 The above figures show an under spend of £247,223 against the budget to-date for general expenses and an overspend of £15,782 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 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

Homelessness - £40,177

The overspend is due to a combination of increased levels of homelessness and also commitments being reflected in the year to date for the use of leased properties for the whole of the financial year. The situation in relation to the increased levels of homelessness is being constantly reviewed and 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.

Commissioning Children's Services - £17,619

The overspend to date reflects commitments made for the whole of the financial year to date. As expenditure is re-imbursed in full any variation in expenditure will be matched by a corresponding variation in the level of the re-imburement.

Strategic Sports Development - £34,609

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

Town Area Community Centres - £30,288

The overspend to date is due to delays in finalising the service charges to be issued to LCC relating to the use of the Community Centres for 2011-12 for which an estimated amount was reserved in the accounts for 2011-12. These have since been finalised and an invoice issued to LCC. The overspend has been partially offset by reductions due to delays in receiving invoices from the utilities for the use of energy etc at the centres. As these invoices are expected to be within existing budgets it is not anticipated that there will be any budget variation at the year end.

3.6.2 Underspends

Waterfield Leisure Pools - £85,492

Underspend is due to invoices awaited from the contractor for management fee and outstanding car park refunds reimbursements. As these invoices are within agreed budgets no variation is predicted at the year end.

Rent Rebates – HRA Tenants - £27,145

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. The variation in subsidy will be rectified when the Council submits a mid-year estimate at the end of August. 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.

Supporting People - £20,233

Underspend is due to the fact that invoices in respect of the Harborough Control Centre charges are awaited. As these costs are within an agreed budget no variation is expected at the year end.

Customer Service Centre - £23,855

Underspend to date relates primarily to an invoice awaited from LCC for the reception cover provided in 2011/12. In addition there is a vacancy at advisor level which is currently being covered by the offering of overtime to existing staff with a view to reducing the use of agency staff and maintaining telephone performance.

Community Service Grants - £27,725

Underspend due to payment of 1st quarter grants being delayed. As these grant payments are agreed prior to the start of the financial year no variation is expected at the year end.

Community Safety - £13,059

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. As these are within agreed budgets no variation is predicted at the year end.

Council Tax Benefit - £111,646

Underspend to date relates to the inclusion of grant monies received from the government to implement the localisation of Council Tax which will be matched by appropriate expenditure in due course. In addition the level of council tax benefit awarded to date is lower than budget although the subsidy currently received is in line with an estimate made prior to the start of the year.

This situation will be rectified when the Council submits a mid-year estimate at the end of August. 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 and any variances acted on accordingly.

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: 13 August 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:/C'ttee, Council & Sub-C'ttees/CSA/2012-13/19-09-12/Budget
Monitoring April to June 2012