

AGENDA ITEM 7

COMMUNITY AND SOCIAL AFFAIRS COMMITTEE

18 SEPTEMBER 2013

REPORT OF HEAD OF CENTRAL SERVICES

BUDGET MONITORING APRIL TO JUNE 2013

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 2013 to 30th June 2013

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 2013 is as follows:

	Approved Budget @ June 13 £	April to June 13 Budget £	April to June 13 Net Expenditure £	Variance Under spend (-) £
General Expenses	2,323,720	-75,841	-175,440	-99,599
Special Expenses	618,660	162,645	215,800	53,155

- 3.4 The above figures show an under spend of £99,599 against the budget to-date for general expenses and an overspend of £53,155 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 July being the latest available to the agenda date 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 - £30,875

The overspend is due to commitments being reflected in the year to date for the use of leased properties for the whole of the financial year. As these commitments are within the agreed budget no variation is expected at the year end.

Customer Service Centre - £40,395

The majority of the overspend is due to costs associated with work being undertaken by an external contractor and which is covered by an agreed year end carry forward request. At the June reporting date the carry forward was not approved but has subsequently been agreed. The actuals to date also include a commitment in respect of a piece of software which has been installed and for which the remaining commitment included in the actuals to date may no longer be required.

Commissioning Children's Services - £41,233

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 - £11,143

The overspend to date is due to the inclusion in the year to date figures of commitments related to 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 - £42,839

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 2012-13 for which an estimated amount was reserved in the accounts for 2012-13. In addition an amount is due from the Community Centres management committee in respect of the transfer of the responsibility for the administration of room bookings for which the amount due was reserved in 2012-13. As the invoice and amount due are expected to be within existing budgets it is not anticipated that there will be any budget variation at the year end.

Open Spaces (Special Expenses) - £15,928

The overspend to date is due to the need to carry out essential works at the Skate Park and also an unexpected excess payable in respect of an insurance claim. In respect of the contract works it is proposed to adjust spending in the latter half of the year to mitigate the impact of the essential works. In respect of the insurance excess the cost has been noted on the budget action plan with a view to meeting the cost from

other budgets if available. As such these actions are expected to minimise their impact on the budget variation at the year end.

Cemetery - £11,206

The overspend to date is due a commitment arising out of the need to replenish the existing stock of sanctum vaults. The other major variation relates to lower burial income to date than predicted. Both of these issues will require careful management during the remainder of the financial year to minimise the impact at the year end.

3.6.2 Underspends

Waterfield Leisure Pools - £31,377

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 - £52,932

Underspend is due to slightly lower expenditure than budget to date and 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.

Rent Allowances –£17,521

Underspend is due to higher expenditure than budget to date offset by a higher level of subsidy being received to date based on an estimate made prior to the financial year. 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.

Melton Lifeline - £17,492

The majority of the underspend is due to invoices awaited from Harborough District Council for the costs of the control centre at Market Harborough partially offset by a reduction in income to date. As the control centre costs are within agreed budgets it is not anticipated there will be any budget variation at the year end and income levels will be monitored throughout the remainder of the financial year and action taken to mitigate any impact.

Supporting People - £34,574

The majority of the underspend is due to invoices awaited from Harborough District Council for the costs of the control centre at Market Harborough. As the control centre costs are within agreed budgets it is not anticipated there will be any budget variation at the year end

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: 7 August 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/2013-14/18-09-13/Budget
Monitoring April to June 2013