

# AGENDA ITEM 7

## COMMUNITY AND SOCIAL AFFAIRS COMMITTEE

18 MARCH 2014

### REPORT OF HEAD OF CENTRAL SERVICES

#### BUDGET MONITORING APRIL TO DECEMBER 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 1<sup>st</sup> April 2013 to 31<sup>st</sup> December 2013

#### 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 2013 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 2013 is as follows:

	Approved Budget @ Dec 13 £	April to Dec 13 Budget £	April to December 13 Net Expenditure £	Variance Under spend (-) £
General Expenses	2,367,450	1,934,695	2,383,104	448,409
Special Expenses	618,660	462,911	488,330	25,419

- 3.4 The above figures show over spending of £448,409 against the budget to-date for general expenses and of £25,419 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 2014 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 more significant variations +/- £10k which are expected to affect the year-end position are also set out in paragraphs 3.6.1 below.

3.6.1 Rent rebates – HRA tenants – overspend £146,426

The apparent overspend is due to the scheduling of Government subsidy payments which include an element in respect of Non HRA Rent Rebates which is transferred at the year end. This masks a slightly lower expenditure than budget to date which will be reflected in lower subsidy entitlement when the Council submits its end of year claim based on actual expenditure. This is a key service area and further details are included in Appendix B with the forecast at the year-end showing a break even position.

Rent allowances – overspend £476,329

The overspend results from two factors. Firstly the scheduling of Government Subsidy payments which will have no impact on the year-end position; secondly the level of allowances granted is about 1% over budget to date. This is a key service area and further details are included in Appendix B with the forecast at the year-end being a small underspend of £9,193.

3.6.2 Other variations of +/-£10k that are not expected to impact on the year-end position are shown in the table below:

Service	Over or under (-) spend	Cause
Waterfield Leisure Pools	-£32,103	Invoices awaited from the contractor for management fees and outstanding car park refunds reimbursements
Other Housing Services	-£11,000	Spending on this budget was delayed until approval was obtained for the Housing Foyer Project at CSA in January 2014
Supporting People	-£12,743	Invoices awaited for the services provided through the control centre at Market Harborough
Customer Service Centre	-£14,372	There is a small underspend on employee related costs that will be reflected in the year-end recharge to services.
Community Services Grants	-£18,956	Outstanding 3 <sup>rd</sup> quarter payment due to the CAB
Community Safety	£54,452	Invoices to be raised for contributions from third parties
Welland Wheels to Work	-£90,644	Income exceeding the budget to date will be used in future years
Council Tax Benefit	£10,167	Prior year adjustment linked to Rent Rebate and Rent Allowance key service areas
Town Area Community Centres	£40,453	Invoices to be raised for service charges

#### **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: Robert Child

Date: January 2014

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/2013-14/5-3-14/Budget Monitoring April to December 2013