

AGENDA ITEM 6

COMMUNITY AND SOCIAL AFFAIRS COMMITTEE

17 SEPTEMBER 2014

REPORT OF HEAD OF CENTRAL SERVICES

BUDGET MONITORING APRIL TO JUNE 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 1st April 2014 to 30th June 2014

2.0 RECOMMENDATION

- 2.1 *It is recommended that the financial position on each of this Committee's services to 30th June 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 June 2014 is as follows:

| | Approved Budget @ June 14 | April to June 14 Budget | April to June 14 Net Expenditure | Variance Underspend (-) | Year End Forecast | Year End Variance Underspend (-) |
|------------------|---------------------------|-------------------------|----------------------------------|-------------------------|-------------------|----------------------------------|
| | £ | £ | £ | £ | £ | £ |
| General Expenses | 2,350,060 | 587,565 | 572,548 | -15,017 | 2,407,030 | 56,770 |
| Special Expenses | 587,850 | 146,838 | 191,797 | 44,960 | 584,025 | -3,825 |

- 3.4 The above figures show a forecast overspend against the budget to-date for general expenses of £56,770 and an underspend of £3,825 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. The forecast variations of +/-£10k are as follows:

Overspends

Rent Rebates – HRA Tenants £22,670

The current year end forecast it showing an adverse variance, due to a reduced subsidy prediction of 98.87% compared to the original budget prediction of 99.50% which was due to a large one-off official error.

Rent Allowances £32,599

The current forecast for the year end is looking at an adverse variance, due to a reduced subsidy prediction of 98.33% compared to the original budget prediction of 99%. This is due to higher levels of overpayments than anticipated, which has attracted lower levels of subsidy.

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: Joanne O’Gorman

Date: 26 August 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/2014-15/17-09-14/Budget Monitoring April to June 2014