

# AGENDA ITEM 6

## COMMUNITY AND SOCIAL AFFAIRS COMMITTEE

16 SEPTEMBER 2015

### REPORT OF HEAD OF CENTRAL SERVICES

#### BUDGET MONITORING APRIL TO JUNE 2015

#### 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 2015 to 30<sup>th</sup> June 2015

#### 2.0 RECOMMENDATION

- 2.1 It is recommended that the financial position on each of this Committee's services to 30<sup>th</sup> June 2015 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 2015 is as follows:

	Approved Budget @ June 15	April to June 15 Budget	April to June 15 Net Expenditure	Variance Underspend (-)	Year End Forecast	Year End Variance Underspend (-)
	£	£	£	£	£	£
General Expenses	2,099,870	519,693	190,451	-359,766	1,999,125	-100,745
Special Expenses	10,270	2,568	1,597	-971	10,270	0

- 3.4 The above figures show a forecast underspend against the budget to-date for general expenses of £100,745 and for Special Expenses, it forecast that all expenditure and income is likely to be on budget; 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 showing the CSA service areas only. 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**

Homelessness £22,776

Forecast overspend has been identified in respect of Employee related costs and the officers are currently looking into the staffing requirements for service delivery.

#### **Underspends**

Rent Rebates – HRA Tenants £51,353

The current year end forecast it showing a favourable variance, due to an increased subsidy prediction of 99.88% compared to the original budget prediction of 98.80%. This is due to the reclassification of some properties and a reduction in error rates for both claimants and the local authority.

Rent Allowances £44,668

The current forecast for the year end is looking at a favourable variance, due to an increased subsidy prediction of 99.34% compared to the original budget prediction of 98.71% which is also a result of lower error rates.

Customer Services £17,020

Current underspend relates to employee costs savings due to the service having a number of vacancies currently. However there is a reduction in income that has reduced this current underspend as funding has been reduced in relation to the Childrens Centres.

## **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: Emma Peters

Date: 28 July 2015

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/2015-16/16-09-15/Budget Monitoring April to June 2015