

# AGENDA ITEM 7

## COMMUNITY AND SOCIAL AFFAIRS COMMITTEE

22 MARCH 2016

### REPORT OF HEAD OF CENTRAL SERVICES

#### BUDGET MONITORING APRIL TO DECEMBER 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 31<sup>st</sup> December 2015.

#### 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 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 December 2015 is as follows:

	Approved Budget @ December 15  £	April to December 15 Budget  £	April to December 15 Net Expen- diture  £	YTD Variance Underspend (-)  £	Year End Forecast  £	Year End  Variance Underspend (-)  £
General Expenses	2,173,630	1,646,377	1,647,101	724	2,264,120	90,490
Special Expenses	10,270	7,703	6,668	-1,035	10,770	500

- 3.4 The above figures show a forecast overspend against the latest budget for general expenses of £90,490; the reasons for this being explained in paragraph 3.6 below. An overspend of £500 is forecast for Special Expenses. Since reporting in January, the Council's overall budget position has shown it is expecting to manage within its overall budget for the general fund incorporating overspend above. Therefore, where overspends have been identified for this committee, these have been mitigated through underspends elsewhere.

### **Key Service Areas**

- 3.4 The Key Service Areas report for those services within the remit of the CSA committee is attached at Appendix B, to the end of January being the latest available to the agenda date. 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**

- 3.5 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 £26,940

Additional 1.4FTEs in place at the start of the year, the staffing requirements have been reviewed and action taken to address this. Also bed & breakfast and lease costs higher than anticipated due to unpredictable demand, this is only partially recoverable through associated income.

##### Supporting People £33,550

Use of agency staff and overtime to cover long term sickness. Also an additional 1FTE in post to cover the service requirements. A detailed review of the establishment needed for this extra care facility is being undertaken.

##### Community Safety £40,210

In 2014/15, a reserve debtor was raised in error which has impacted on the 2015/16 budget to the sum of £52k.

There has been increased demand in the vulnerability of families and unexpected costs to repair CCTV.

Pension costs have exceeded budget due to an increase in the pension lump sum amount which is apportioned to the service and back pay of the previous years pension contributions which were missed for one employee for three months.

The above overspends have been partially mitigated by LCC not requiring the contribution towards Supporting Leicestershire Families (SLF) in 2015/16 due to LCC having a better budget position county wide than expected for the SLF service.

##### Children's Services £13,440

Income from Leicestershire County Council (LCC) is not due as a result of the termination of the children's centre contract.

##### Leisure Development £17,790

Invoices raised in error in 2014/15 have been cancelled in 2015/16 to the sum of £10k. Also, a re-payment of unspent 2014/15 funding was made to LCC, which was not accrued.

#### Leisure Vision £16,000

Following the acquisition of the Melton Sports Village site additional repairs and maintenance works have been required including some urgent health and safety requirements. Some of these works have been undertaken earlier than envisaged which mean the full allocation from Repairs and maintenance for next year may not be required. These costs will be met from the corporate repairs and maintenance budget.

#### Underspends

#### Other Housing Services £15,000

Lower contribution to the foyer project than budgeted for due to delays in the project as referred to in item 6 of this agenda. The costs expected in 2015/16 relate to legal fees in relation to the relevant agreements.

#### Wheels to Work £24,950

Reduced insurance premiums as a result of a new contract procurement.

### **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: Natasha Bailey  
Date: 9 February 2016  
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/2015-16/22-03-16/Budget Monitoring April to June 2015