

AGENDA ITEM 6

COMMUNITY AND SOCIAL AFFAIRS COMMITTEE

14 SEPTEMBER 2016

REPORT OF HEAD OF CENTRAL SERVICES

BUDGET MONITORING APRIL TO JUNE 2016

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 2016 to 30th June 2016.

2.0 RECOMMENDATION

- 2.1 It is recommended that the financial position on each of this Committee's services to 30th June 2016 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 2016 is as follows:

	Approved Budget @ June 16 £	April to June 16 Budget £	April to June 16 Net Expen- diture £	YTD Variance Underspend (-) £	Year End Forecast £	Year End Variance Underspend (-) £
General Expenses	1,864,800	612,795	326,568	-286,227	1,844,490	-20,310
Parish Special Expenses	10,460	2,615	2,532	-83	10,580	120

- 3.4 The above figures show a forecast underspend against the latest budget for general expenses of £20,310 and for special expenses an overspend of £120 is forecast; the reasons for this being explained in paragraph 3.5 below.

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 July 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

Leisure Vision £10,080

Repairs and maintenance costs following the acquisition of the Melton Sports Village which were not reserved in 2015/16 have impacted on the 2016/17 budget. The management fee payable to SLM is also estimated to be higher than budgeted for based on projected figures from trends in 2015/16 income and expenditure. In line with the recommendations made by the Policy Administration and Finance committee enhanced scrutiny is taking place over expenditure on the leisure vision budget.

Supporting People £31,890

Sickness cover and one additional FTE in post compared to the establishment. This level of resource is deemed necessary to deliver the service to the required standard. The service is currently being reviewed with Leicestershire County Council and a Member decision will be needed as to a formal way forward. A report will be brought to this committee in November 2016. It should also be noted that the income received from LCC is only confirmed until October 31st 2016 – the forecast year end position assumes that an agreement with LCC is reached to extend the existing contract; this is a potential risk area.

Wheels to Work £10,960

Staff illness has led to a slow start in the uptake of new riders in the first quarter due to resources not being available to bring the new riders into the scheme. The hire charges for the scooters and the kit have also been incorrectly applied resulting in a loss of income due to some weekly and monthly charges being calculate differently from those approved. A proposal to increase the fees for the remainder of the year which would serve to offset some of this loss of income against the budget is outlined in another report on this agenda. The year end forecast assumes that this proposal is accepted however, it should also be noted that a number of other factors will also affect this year end forecast such as how many riders sign up for the remainder of the year. Currently, it is estimated that approximately 200 riders will be achieved in 2016/17 compared to an original estimate of 240. There is also the potential for some of the loss of income to be recovered through retention of the refundable deposits if scooters are returned with more than fair wear and tear damage.

Underspends

Rent Rebates – HRA £69,080

The level of subsidy is currently higher than budgeted for due to lower claimant errors than previously predicted. This is a highly volatile budget and can fluctuate. This year end forecast includes an estimated additional £25k in relation to overpayment recovery. However, if these claimants return to benefits, the invoices will be cancelled which will have a negative impact on the budget. DWP processes have also changed

in relation to attachment to benefits and as such overpayment invoices which are being paid in that way will be cancelled.

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.

9.2 There is a potential risk around external funding in relation to Supporting People as outlined in paragraph 3.5.

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: 15 August 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/2016-17/14-09-16/Budget Monitoring April to June 2016