

AGENDA ITEM 7

COMMUNITY AND SOCIAL AFFAIRS COMMITTEE

21 MARCH 2017

REPORT OF HEAD OF CENTRAL SERVICES

BUDGET MONITORING APRIL TO DECEMBER 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 31st December 2016.

2.0 RECOMMENDATION

- 2.1 It is recommended that the financial position on each of this Committee's services to 31st December 2016 and the year end 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 2016 is as follows:

	Approved Budget @ December 2016 £	April to December 2016 Budget £	April to December 2016 Net Expenditure £	YTD Variance Underspend (-) £	Year End Forecast £	Year End Variance Underspend (-) £
General Expenses	1,987,680	1,445,722	735,059	-710,663	1,959,245	-28,440
Parish Special Expenses	10,460	7,845	7,690	-155	11,800	1,340

- 3.4 The above figures show a forecast underspend against the latest budget for general expenses of £28,440 and for special expenses an overspend of £1,340 is forecast; the reasons for this being explained in paragraph 3.5 below.

Key Service Areas

- 3.5 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

- 3.6 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

Supporting People £34,140

This is due to 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. As of the 1st February, the service will be managed by a County wide contract However, existing employees will be paid up until the 31st March in line with the agreed redundancy arrangements. As a result of the change in service, there will be a shortfall in the income received from LCC which was received on a monthly basis.

Leisure Vision £12,130

The overspend on the MSV site relates to additional utilities costs over an above those expected which was based on the limited information provided before transfer of the site. In addition to this and as discussed with the leisure working group at its meeting on the 9th March the income for the rugby club will be set a lower level to support the transitional arrangements to the new sports village. A virement will be undertaken to fund this from existing budgets.

Underspends

Rent Rebates – HRA £52,110

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. There is a gradual trend in the decrease of the subsidy percentage which could be due to universal credits being introduced but it is still too early to determine the impact. This year end forecast includes an estimated additional £25k in relation to overpayment recovery. However, claimants returning to benefits affects this position, i.e. the overpayments are cancelled, however with the rollout of universal credit it is expected that a lower number of claimants will return to benefits in this way. Underspend decreased slightly following audit of 2015/16 year end subsidy which resulted in less subsidy being due than provided for.

Customer Services £21,190

Vacant posts have been back filled through existing employees instead of recruiting.

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.

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 Following confirmation that the Northampton bid has not been successful for 2017/18, the timescales for winding down the wheels to work scheme to a reduced number are not yet known. It is likely that this will further impact on 2017/18 however there is a small risk that there may be the requirement to bring scooters in early to ensure the cut off timescales are met which will lead to a reduction in income and therefore an adverse impact on the budget. A report with a full wheels to work update will be brought to this Committee at an ad-hoc April meeting.

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: 24 January 2017
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/2016-17/21-03-17/Budget Monitoring April to
December 2016