

AGENDA ITEM 7

COMMUNITY AND SOCIAL AFFAIRS COMMITTEE

13 SEPTEMBER 2017

REPORT OF CORPORATE DIRECTOR

BUDGET MONITORING APRIL TO JUNE 2017

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 2017 to 30th June 2017.

2.0 RECOMMENDATION

- 2.1 It is recommended that the financial position on each of this Committee's services to 30th June 2017 and 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 June 2017 is as follows:

	Approved Budget @ June 17 £	April to June 17 Budget £	April to June 17 Net Expen- diture £	YTD Variance Underspend (-) £	Year End Forecast £	Year End Variance Underspend (-) £
General Expenses	1,589,270	369,290	259,487	-109,803	1,602,230	12,960
Parish Special Expenses	11,410	2,853	2,102	-751	11,410	0

- 3.4 The above figures show a forecast overspend against the latest budget for general expenses of £12,960 and for special expenses the forecast is in line with budget; the reasons for the overspend on general expenses being explained in paragraph 3.6 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 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

- 3.6 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

Customer Services £22,300

Transformation savings not expected to be met. However, it is anticipated that savings in relation to employee related costs within Communications due to vacant posts will be vired to this budget to cover the shortfall – this will be actioned in quarter two.

Wheels to Work £21,380

As previously reported, an overspend is expected mainly due to the Northampton bid being unsuccessful which assumed income from hirers would be in addition to the funding. Also, one additional employee in post compared to the establishment which has been extended for the majority of the financial year. A further increase in the expected shortfall has arisen due to a significant increase in the insurance premiums charged due to previous claims history. This will be reviewed later in the year with the potential for a partial refund. A full report on the Wheels to Work service will be brought back to Committee at a later date.

Underspends

Rent Allowances £21,330

The level of subsidy is currently higher than budgeted which continues the trend from 2016/17 in that service efficiencies have led to the percentage of subsidy received being above that budgeted for i.e. lower claimant and LA errors and quicker claim processing. However, this is a highly volatile budget and can fluctuate. It should be noted that a downward trend in the percentage expected can be seen and should this continue it will have an adverse impact on the budget. A review is to be undertaken to determine the reasons for this and expected impact. The full year impact of Universal Credit is not yet known which could further impact on budget.

Homelessness £10,770

New Housing Options officer post vacant for the start of the year. It should be noted that there is the potential for a greater underspend if the demand for the service is similar to 2016/17. However, this is not reflected in the current forecast due to uncertainty and an increase expected in the demand in the winter months which is unknown. The budget will therefore continue to be closely monitored and reported as the year progresses.

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: 17 August 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/2017-18/13-09-17/Budget Monitoring April to June 2017