

COMMUNITY AND SOCIAL AFFAIRS COMMITTEE

20 MARCH 2018

REPORT OF DIRECTOR OF CORPORATE SERVICES

BUDGET MONITORING APRIL TO DECEMBER 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 31st December 2017.

2.0 RECOMMENDATION

- 2.1 It is recommended that the financial position on each of this Committee's services to 31st December 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 December 2017 is as follows:

	Approved Budget @ December 17 £	April to December 17 Budget £	April to December 17 Net Expen- diture £	YTD Variance Underspend (-) £	Year End Forecast £	Year End Variance Underspend (-) £
General Expenses	1,642,720	874,434	541,973	-332,461	1,801,820	159,100
Parish Special Expenses	11,410	8,558	6,364	-2,194	11,410	0

- 3.4 The above figures show a forecast overspend against the latest budget for general expenses of £159,100 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. Members should note that across the Council there is an overall break even position forecast.

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:

Underspends

Rent Rebates – HRA £11,380

Subsidy % predicted is slightly higher than budgeted for at 99.51% compared to 99.42%. However this is highly volatile and can fluctuate. Also overpayment recovery is predicted to be £5k above that budgeted for as a result of Verification of Earnings and Pension Information and Real Time Information (RTI).

Overspends

Public Conveniences £30,920

The overspend forecast reflects the Council's commitment to the redundancy costs expected as a result of the public conveniences project. There has also been a decline in the income received due to demand for the service.

Leisure Vision £19,830

Costs in relation to phase 2 consultancy, previously charged to capital, are to be written off to revenue as the final delivery of the scheme is now not expected to be in the imminent future and for which there is no certainty. An interim 4 year contract until 2022 to operate the MSV was agreed by Full Council on 7 February 2018. These costs amount to £18k to date and there are a further £17k of costs to be expended although it is expected that these will be in 2018/19. Management Team have agreed that the 2017/18 costs can be covered through existing budget reductions, with the 2018/19 costs added to the 2018/19 action plan.

Homelessness £21,360

Debts from 2004 onwards in relation to B&B income, rent deposits through priority need grants received and mortgage rescue programmes have been put forward for write off or credited where there had been errors such as duplication of invoices. Such write offs amount to £77k which has been partially mitigated through reduced B&B costs as a result of fewer single people requiring emergency accommodation and more support given through the no second night out programme and bridge support. Also reduced lease costs due to one less property than when the budget was set and the landlord giving notice from the end of February on a second property.

Lifeline £24,800

Write off of aged debts in excess of £21.5k Also purchase of additional equipment required to replace ageing stock.

Wheels to Work £97,090

In addition to the areas previously reported; i.e. unsuccessful Northampton bid, one additional employee in post against the establishment, fees and charges increase not implemented until part way through the year and an increase in insurance premiums, it is now expected that outputs will not meet the requirements of the funding and therefore it is assumed that one quarters funding from the Access Fund and County will not be received based on the latest correspondence from Leicestershire County Council. This position is yet to be confirmed. Due to the current level of bad debts, the year end position also now assumes recovery of only 60% and a suitable provision for this will be made at year end. A report is also on this agenda to update on the Wheels to Work position and scheme going forward.

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 risk that the County and Access funding in relation to Wheels to Work could be cut by one quarter as the year end position assumes and paragraph 3.6 refers.

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 Allsopp
Date:	30 January 2018
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/2017-18/20-03-18/Budget Monitoring April to December 2017