

## PEOPLE COMMITTEE

19<sup>TH</sup> MARCH 2019

### REPORT OF THE DIRECTOR FOR CORPORATE SERVICES

#### BUDGET MONITORING APRIL TO DECEMBER 2018

#### 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 2018 to 31<sup>st</sup> December 2018. Note this is based on the old CSA service structure as it has been previously agreed that the financial monitoring reports for 2018/19 will be reviewed on this basis. Moving forward the 2019/20 budget setting process has been based on the new People priorities.

#### 2.0 RECOMMENDATION

- 2.1 **It is recommended that the financial position and year end forecast outlined in Appendix A for each of the services to 31<sup>st</sup> December 2018 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 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 services compared to the approved budget at December 2018 is as follows:

	Approved Budget @ Dec 2018 £	Apr to Dec 18 Budget £	Apr to Dec 18 Net Expenditure £	Year to date Variance (Under)/Over spend £	Year End Forecast £	Year End Variance (Under)/Over spend £
General Expenses	1,643,040	799,139	673,317	(125,822)	1,594,127	(48,913)

- 3.4 The current year to date variance is an underspend of £125,822 of controllable expenditure. The year-end forecast is an underspend against latest budget of £48,913 for general expenses.

### **Key Service Areas**

- 3.5 The Key Service Areas report for those services within the remit of CSA previously is attached in Appendix B. This report is presented to the Strategic Leadership 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. The latest version is attached which is the period to the end of February 2019.

### **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. Details of the more significant year end forecast variations +/- £10k (as shown in Appendix A) are also set out below:

#### 3.6.1 Overspends

##### Wheels to Work £24,730

The majority of the overspend relates the bad debt write offs £17k that will need to be undertaken as part of the scheme closure following the decision of the Place committee at its meeting on the 9<sup>th</sup> January 2019.

##### Community Service Grants £13,680

Melton have committed to provide funding to the Melton and District Money and Advice Centre (MADMAC) for the remainder of the year which was not budgeted for.

##### Public Conveniences

The Public Conveniences overspend is due to a delay in start on site which resulted in staff remaining in post where they were expected to terminate in 2017-18 and redundancy costs, totalling £67.4k.. As a result of the delay of savings of £15.3k were made for Premises Related costs which offset some of the overspend. Finally there is a projected shortfall in income of £5.4k due to the delay in opening.

### 3.6.2 Underspends

#### Rent Rebates – HRA £30,227

Based on December estimates to DWP the forecast has been reviewed and outturn is expected projected to be better than budget due to the improved projections around the overpayment recovery position.

#### Rent Allowances £101,348

Based on December estimates provide to DWP the forecast has been reviewed and outturn is expected to be better than budget. As above the overpayment recovery for the aged debt position has resulted in an improvement in net contribution.

## **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 addresses within section 3.

## **6.0 LEGAL IMPLICATIONS/POWERS**

- 6.1 As the report is exclusively concerned with financial matters, there are no direct legal implications arising from the report. Any individual revenue projects could have links to legal and procurement issues and early advice should be sought. These implications should be covered in any associated reports and forms lined to these projects as they progress through the decision making process.

## **7.0 COMMUNITY SAFETY**

- 7.1 Community safety issues were addresses 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 the budget monitoring meetings arranged with reference to the current budget monitoring protocols.

## **12.0 WARDS AFFECTED**

12.1 All wards are affected.

Contact Officer: Jasvinder Bassan

Date: 5<sup>th</sup> March 2019

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:\committee\committee,council\ People Committee\2018-19\19032019