

REPORT TO: PEOPLE SCRUTINY COMMITTEE
Date of Meeting: 2 MARCH 2017
Report of: Assistant Director Finance
Title: Budget Monitoring Report to 31 December 2016

Is this a Key Decision?

No

Is this an Executive or Council Function?

Executive

1. What is the report about?

This report advises Members of any material differences to the approved budget in respect of the People Scrutiny Committee revenue and capital budgets.

Potential areas of budgetary risk are also highlighted in this report, so that Members are aware that certain budgets have been identified as being vulnerable to factors beyond the control of the Council, which may result in potential deviations from budget, and are therefore subject to close monitoring by officers.

2. Recommendations:

That Members of People Scrutiny Committee note the content of this report in order to be satisfied that prudent steps are being taken to address the key areas of budgetary pressure highlighted in this report.

3. Reasons for the recommendation:

Local authorities have a statutory duty to set and monitor their budgets during the year and to take any actions necessary because of potential overspending or potential shortfalls in income. Members are therefore presented with a quarterly financial update in respect of People Services.

4. What are the resource implications including non financial resources

The financial resources required to deliver People Services during 2016/17 are set out in the body of this report.

5. Section 151 Officer comments:

This report has been prepared on behalf of the Section 151 Officer to set out the projected financial position of People Services as at 31 March 2017.

6. What are the legal aspects?

Part 2 of the Local Government Act 2003 provides the legislative framework for the process of setting and managing budgets. In particular, Section 28 of the 2003 Act requires local authorities to monitor their budgets during the financial year.

7. Monitoring Officer's comments:

This report raises no issues for the Monitoring Officer.

8. Report Details:

Revenue Budget Monitoring to 31 December 2016

8.1 Key Variations from Budget

The current forecast suggests that net expenditure for this committee will decrease from the approved budget by a total of £108,776 after transfers from reserves and revenue, contributions to capital, as detailed in Appendix 1. This represents a variation of 2.86%

from the revised budget. This includes supplementary budgets of £158,000 already agreed by Council.

8.2 The significant variations by management unit are:

MU Code	Management Unit	Over / (Underspend) £	Detail
81C3	Affordable Housing Development	(75,070)	<ul style="list-style-type: none"> Work is progressing on the detailed business case for the formation of a new Development Company, but this work will continue into 2017/18. A supplementary budget will be requested in order to carry forward any underspend.
81C4	Private Sector Housing	32,000	<ul style="list-style-type: none"> Redundancy costs arising from the senior management restructure to be funded from the Redundancy Reserve Additional employee costs due to a successful JE appeal Lower than anticipated level of Houses of Multiple Occupation licence fees
81E1	General Fund Housing - Property	(90,000)	<ul style="list-style-type: none"> Low turnover of Private Sector Leased and Extralet properties is expected to result in both higher than budgeted rental income and savings in void repair costs. Reactive repairs are also lower as a result of referrals back to the landlord in accordance with the lease agreements.
86A1	Revenue Collection/Benefits	99,120	<ul style="list-style-type: none"> Reduced level of invoices resulting from Real Time Information updates and the Fraud and Error Reduction Initiative Scheme Redundancy costs to be funded from the Redundancy Reserve Staff savings due to vacancies during restructure

9. Capital Budget Monitoring to 31 December 2016

To report the current position in respect of the People Capital Programme and to update Members with any anticipated cost variances, acceleration of projects or slippage of schemes into future years.

9.1 Revisions to the People Capital Programme

The 2016/17 Capital Programme, including commitments brought forward from 2015/16, is £1,434,540 and was last reported to People Scrutiny Committee on 3 November 2016. Since that meeting no changes have been made to the programme.

9.2 Performance

The current People Capital Programme is detailed in Appendix 2. The appendix shows a total spend of £398,120 in 2016/17.

9.3 Capital Variances from Budget

No significant variances or issues concerning expenditure have arisen for this committee.

9.4 Capital Budgets Deferred to 2017/18

Schemes which have been identified as being wholly or partly deferred to 2017/18 and beyond are:

Scheme	16/17 Budget £	Budget to be Deferred £	Reason
Temporary Accommodation Purchase	300,000	300,000	It is likely that a property will be purchased in 2017/18.

10. How does the decision contribute to the Council's Corporate Plan?

People Committee contributes to 5 key purposes, as set out in the Corporate Plan: Customer access to help me with my housing and financial problem, make it easy for me to pay, provide suitable housing and be a good landlord.

11. What risks are there and how can they be reduced?

Areas of budgetary risk are highlighted in this report. The key areas of budgetary risks within People Scrutiny Committee are attached as Appendix 3, for reference.

12. What is the impact of the decision on equality and diversity; health and wellbeing; safeguarding children, young people and vulnerable adults, community safety and the environment?

No impact

13. Are there any other options?

No

DAVE HODGSON

Assistant Director Finance

Author: FINANCIAL SERVICES TEAM

Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:

None

Contact for enquiries:

Democratic Services (Committees)

Room 2.3

(01392) 265275