

**REPORT TO:** PEOPLE SCRUTINY COMMITTEE  
**Date of Meeting:** 2 NOVEMBER 2017  
**Report of:** Chief Finance Officer  
**Title:** Budget Monitoring Report – Second Quarter

**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 2017/18 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 2018.

**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:**

Given this report is for information, this report raise no issues of concern to the Monitoring Officer.

**8. Report Details:**

**Budget Monitoring – Second Quarter**

**8.1 Key Variations from Budget**

The current forecast suggests that net expenditure for this committee will increase from the approved budget by a total of £122,780 after transfers from reserves and revenue

contributions to capital, as detailed in Appendix 1. This represents a variation of 4.37% from the revised budget. This includes a supplementary budget of £178,300 already agreed by Council.

8.2 The significant variations by management unit are:

<b>MU Code</b>	<b>Management Unit</b>	<b>Over / (Underspend) £</b>	<b>Detail</b>
<b>81C3</b>	Affordable Housing Development	42,780	<ul style="list-style-type: none"> <li>This represents the cost of officer time required to progress Estate Regeneration Projects, following a successful capital grant bid of £1.295m and the time required in connection with setting up a new Development Company.</li> </ul>
<b>81E1</b>	General Fund - Housing	(45,000)	<ul style="list-style-type: none"> <li>The number of Private Sector Leased properties handed back to landlords was lower than anticipated in the first 6 months, resulting in additional rental income and lower hand back costs.</li> </ul>
<b>86A1</b>	Revenue Collection & Benefits	125,000	<ul style="list-style-type: none"> <li>The value of debt write offs has been higher than expected due to an increase in personal insolvencies.</li> </ul>

## **9. Capital Budget Monitoring – Second Quarter**

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 2017/18 Capital Programme, including commitments brought forward from 2016/17, was last reported to Corporate Services Scrutiny Committee on 28 September 2017. 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 £182,616 in 2017/18.

### **9.3 Capital Variances from Budget**

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

### **9.4 Capital Budgets Deferred to 2018/19**

No significant amounts have been identified as being wholly or partly deferred to 2018/19 and beyond.

## **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?**

The revenue service costs reported to this Committee help support the provision of temporary accommodation, housing advice, licensing of houses of multiple occupation, new affordable housing within the City and the administration of housing benefits. All these services have a positive impact on the health and wellbeing of residents, in particular those in housing need.

In terms of capital expenditure, the 2017/18 capital programme helps facilitate disabled adaptations, energy efficiency measures and provide loans to return properties to a habitable standard. The capital schemes have a positive impact of the health and wellbeing of residents.

**13. Are there any other options?**

No

**DAVE HODGSON**  
**Chief Finance Officer**

**Authors:**

Nicola Matthews-Morley and Michelle White

**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