

**REPORT TO: PEOPLE SCRUTINY COMMITTEE**  
**Date of Meeting: 1 MARCH 2018**  
**Report of: Chief Finance Officer**  
**Title: Budget Monitoring Report – Third 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:**

This report raises no issues for the Monitoring Officer.

**8. Report Details:**

**Budget Monitoring – Third 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 £305,840 after transfers from reserves and revenue contributions to capital, as detailed in Appendix 1. This represents a variation of 10.17%

from the revised budget. This includes supplementary budgets of £372,160 already agreed by Council.

8.2 The significant variations by management unit are:

MU Code	Management Unit	Over / (Underspend) £	Detail
81E1	General Fund - Housing	(55,000)	<ul style="list-style-type: none"> <li>Private Sector Leased properties are handed back to the landlords upon a change of tenancy, which has resulted in a lower level of rent lost during void periods and a lower level of reactive repairs due to the reducing number of properties.</li> </ul>
86A1	Revenue Collection & Benefits	400,000	<ul style="list-style-type: none"> <li>Income is lower than anticipated; Real time information updates over the past 2 years had led to an increase in the recovery of overpayments, this has now reduced as the majority of historic cases have been dealt with. There has also been an increase in the amount of debt write offs in part to the clearing down of some older cases. The amount of unsubsidised housing benefit expenditure is also higher than forecast due to a higher number of temporary and supported accommodation claims.</li> </ul>

## 9. Capital Budget Monitoring –Third 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 was last reported to Corporate Services Scrutiny Committee on 23 November 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 £330,661 in 2017/18 during the first nine months of the year.

### 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

Schemes which have been identified as being wholly or partly deferred to 2018/19 and beyond are:

<b>Scheme</b>	<b>17/18 Budget £</b>	<b>Budget to be Deferred £</b>	<b>Reason</b>
WHIL Empty Properties	194,000	194,000	There is no anticipated uptake for these loans this year. A new marketing campaign is planned for 2018/19.
Temporary Accommodation Purchase	584,950	134,950	The purchase of the property will take place this financial year with the refurbishment works commencing in 2018/19.

**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

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

**Background papers used in compiling this report:**

None

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