

## PUBLIC QUESTION TO PEOPLE SCRUTINY COMMITTEE

### UNDER STANDING ORDER 19

#### PEOPLE SCRUTINY COMMITTEE - 12 March 2018

##### Questions from Diana Jones.

The budget for Advisory Services (budget line 81C2) has been reduced by £466,950, or 30%, for the financial year 2018/19. Will the Council please explain the specific impacts of this budget reduction on actual services to people and organisations?

##### Response

The total budget reduction shown in the 'Other Adjustments' column is due to two main reasons:

£351,860 Reduction in Support Services

£115,090 Increase in grant income retained by Advisory Services

---

**£466,950**

---

These are described in more detail below:

##### Support Services

Changes in accounting guidance has ended the requirement to spread support service costs as overheads. The change allows local authorities to report its financial performance in the same way that the authority operates and manages its services.

Support services are managed as separate functions within the Council (legal, finance, HR etc.), their costs are now budgeted as discrete functions rather than spread across Council services as overheads. The impact of this change for Advisory Services on the 2018/19 budgets is a saving of £351,860 due to the removal of support service overhead costs. Support Service budgets (legal, finance, HR etc.) are showing increased expenditure due to the retention of their costs when compared to the 2017/18 budgets, therefore, across the Council the impact is cost neutral.

##### Grant Income

MHCLG introduced a 'Flexible Homelessness Support Grant' this year, this grant replaced the £60 per week temporary accommodation management fee that we were able to charge until 31 March 2017. In the current year we have transferred some of this grant into GF Housing – Property (81E1) to replace the management fee income lost from the PSL rental income. Rather than continuing to move money from one unit to another it was decided in 2018/19 to show a reduction of income within GF Housing - Property and to keep the grant within Advisory Services, therefore the impact of this is also cost neutral across the Council