

REPORT TO: PEOPLE SCRUTINY COMMITTEE
Date of Meeting: 7 JUNE 2018
Report of: Chief Finance Officer
Title: 2017/18 Budget Monitoring Report – Outturn

Is this a Key Decision?

No

Is this an Executive or Council Function?

No

1. What is the report about?

This report advises Members of any material differences, by management unit, between the approved budget and the outturn for the financial year up to 31 March 2018 in respect of People Scrutiny Committee.

An outturn update in respect of the People Capital Programme is also incorporated into this report in order to help provide a comprehensive financial update in respect of the People Scrutiny Committee Budgets.

2. Recommendations:

That Members of People Scrutiny Committee note the content of this report in order to be satisfied that prudent steps have been taken during the year to address any areas with significant variances, as highlighted in this report, and note the actual cost of delivering services for this Committee in the 2017/18 financial year.

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 and this is the final report for 2017/18.

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:

Whilst there has been an overspend in respect of the People Committee, overall Services across the Council have underspent by £1.223 million. Taking into account all other income and expenditure, the transfer from the working balance is £0.964 million lower than budget, leaving the working balance at £4.692 million.

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 Final Accounts to 31 March 2018

8.1 Key Variations from Budget

The final outturn has been calculated and the report below highlights the major differences by management unit from the approved annual budget after adjusting for supplementary budgets.

The total variance for the year shows a deficit of £449,548 after transfers from reserves, as detailed in Appendix 1. This represents a variation of 15.36% from the revised budget.

8.2 The significant variations by management unit are:

MU Code	Management Unit	Q3 Forecast Variance (Under)/ Overspend	Actual Budget Variance (Under)/ Overspend	Explanation of Actual Budget Variance
81E1	General Fund - Housing	(55,000)	2,905	<ul style="list-style-type: none">An underspend was previously reported, but a combination of former tenant rent arrear write-offs during March and a reduction in housing benefit income following the hand-back of Private Sector Leased properties have mitigated the underspend.
86A1	Revenue Collection & Benefits	400,000	507,268	<ul style="list-style-type: none">As reported at quarter 3, income is lower than anticipated; Real time information updates received from the DWP over the past 2 years led to an increase in the recovery of overpayments of Housing Benefit. However, as the majority of historic cases have been dealt with the recovery has reduced. The Council does not set the amounts of overpayments that is considered recoverable.The amount of unsubsidised housing benefit expenditure is also higher than forecast due to a higher number of temporary and supported accommodation claims. The Council has a duty to accommodate and so these costs are not avoidable.£33k of expenditure has been financed from the Local Welfare Support Reserve

9. Capital Budget Monitoring to 31 March 2018

To advise members of the financial performance in respect of the 2017/18 People Capital Programme.

9.1 Revisions to the People Capital Programme

The 2017/18 Capital Programme was last reported to People Scrutiny Committee on 12 March 2018. Since that meeting the following changes have been made to the programme.

Description	£	Approval/Funding
Capital Programme, as reported to People Scrutiny Committee, 12 March 2018	1,697,210	
Budget Deferred to 2018/19 & Beyond at Quarter 3	(328,950)	Approved by Council 24 April 2018
Revised Capital Programme	1,368,260	

9.2 Performance

The current People Capital Programme is detailed in Appendix 2. The appendix shows a total spend of £959,437 in 2017/18 with £408,823 of the programme deferred until 2018/19.

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:

Scheme	17/18 Budget £	Budget to be Deferred £	Reason
Disabled Facility Grants	685,820	356,071	The level of grants awarded was less than the Better Care Fund income received from Devon County Council, however, this money can be carried forward to 2018/19 to fund further expenditure.
Wessex Loan Scheme	107,820	79,033	Take up of loans has been less than predicted.
Temporary Accommodation Purchase	450,000	(26,281)	The purchase of the property was completed in February this year. There is £109k budget remaining in 2018/19 to carry out the property refurbishment.

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 to committee as part of the quarterly budget monitoring updates.

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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