

REPORT TO: PEOPLE SCRUTINY COMMITTEE
Date of Meeting: 1 November 2018
Report of: Chief Finance Officer
Title: 2018/19 Budget Monitoring Report – Quarter 2

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, by management unit, between the 2018/19 approved budget and the current outturn forecast 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 assure themselves that satisfactory actions are being undertaken by Officers to address the key areas of budgetary pressure, as 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 2018/19 are set out in the body of this report.

5. Section 151 Officer comments:

The small underspend against the budget is noted and forms part of the wider efforts to ensure expenditure is balanced against the budget during this financial year. The results for the General Fund as a whole will be reported to the Executive and Full Council within the Revenue Overview report, which collates the financial performance of the three Scrutiny Committees alongside other income and expenditure of the Council.

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 – Quarter 2

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 £92,740 after transfers from reserves and revenue contributions to capital, as detailed in Appendix 1. This represents a variation of 2.64% from the revised budget. This includes a supplementary budget of £580,000 already agreed by Council.

8.2 The significant variations by management unit are:

| Budget Heading | Forecast Outturn Budget Variance at Quarter 1 (Under)/Overspend £ | Forecast Outturn Budget Variance at Quarter 2 (Under)/Overspend £ |
|---|---|---|
| Forecast Budget Variances by Management Unit: | | |
| 81C2 – Housing Needs | 0 | (72,240) |
| Responsible Officer: Interim System Lead, Housing Needs | | |
| The underspend on pay reflects the lead-in time for fully recruiting to the new Housing Needs structure approved by Executive in February 2018. Recruitment has been a significant challenge primarily due to it being scheduled alongside the implementation of the Homelessness Reduction Act (which went live in April 2018). Not only did this bring a significant additional burden of priority work, it triggered a market demand for experienced housing needs staff which impacted on recruitment nationally as well as in the South West area. Nevertheless it is anticipated that the service will have full recruitment by the end of quarter three and therefore this current underspend is a one-off in-year saving to the General Fund. | | |

9. Capital Budget Monitoring – Quarter 2

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 2018/19 Capital Programme was last reported to Corporate Services Scrutiny Committee on 27 September 2018. 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 £174,646 in 2018/19 during the first six 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 2019/20

No significant amounts have been identified as being wholly or partly deferred to 2019/20 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 2018/19 capital programme helps facilitate disabled adaptations 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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