

**REPORT TO:** PEOPLE SCRUTINY COMMITTEE  
**Date of Meeting:** 7 March 2019  
**Report of:** Chief Finance Officer  
**Title:** 2018/19 Budget Monitoring Report – Quarter 3

**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:**

The report raises no issues for the Monitoring Officer.

## 8. Report Details:

### Budget Monitoring – Quarter 3

#### 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 £94,000 after transfers from reserves, as detailed in Appendix 1. This represents a variation of 2.67% from the revised budget. This includes supplementary budgets of £580,000 already agreed by Council.

8.2 The significant variations (greater than +/- £30k) by management unit are:

Budget Heading	Forecast Outturn Budget Variance at Quarter 2  (Under)/Overspend £	Forecast Outturn Budget Variance at Quarter 3  (Under)/Overspend £
<b>Forecast Budget Variances by Management Unit:</b>		
<b>81C2 – Housing Needs</b>	(72,240)	(72,500)
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. The service is presently over 90% fully recruited with just two remaining vacant posts currently under JE and to be recruited to before the end of the financial year. Therefore, this current underspend is a one-off in-year saving to the General Fund.		
<b>86A1 – Revenues, Benefits &amp; Customer Access</b>	0	31,240
Responsible Officer: System Lead Revenues, Benefits & Customer Access  The Local Welfare Support reserve will fund expenditure on the Budgeting and Money Management project as well as crisis support for vulnerable customers needing short term help with food, utilities and travel costs. Therefore, this expenditure has no impact on the General Fund.		

## 9. Capital Budget Monitoring – Quarter 3

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 22 November 2018. Since that meeting the following changes have been made to the programme.

Description	£	Approval/Funding
<b>Capital Programme, as reported to Corporate Services Scrutiny Committee, 22 November 2018</b>	<b>1,182,880</b>	
Disabled Facility Grants	92,380	Additional funding from MHCLG
<b>Revised Capital Programme</b>	<b>1,275,260</b>	

## 9.2 Performance

The current People Capital Programme is detailed in Appendix 2. The appendix shows a total spend of £289,433 in 2018/19 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 2019/20

Schemes which have been identified as being wholly or partly deferred to 2019/20 and beyond are:

Scheme	18/19 Budget £	Budget to be Deferred £	Reason
Disabled Facility Grants	801,180	400,000	A variety of awareness activities have taken place, including articles in the Citizen to increase accessibility to these grants. Work has also been undertaken to reduce end to end time with respect to stair lift applications and to remove barriers to people having such adaptations made. A communications plan has been drafted to increase awareness further and it is anticipated that grant take up will be higher in 2019/20.
WHIL Empty Properties	194,000	194,000	An Empty Homes Strategy is currently being developed which will seek to maximise opportunities to bring empty homes back into use, it is expected that loans will be made in 2019/20.

**10. How does the decision contribute to the Council's Corporate Plan?**

People Services contribute to three key priorities, as set out in the Corporate Plan: providing value-for-money services, leading a well-run council and building great neighbourhoods.

**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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**Chief Finance Officer**

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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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