

CABINET 18TH OCTOBER 2018

Report of Head of Finance and Property Services

Lead Member: Councillor Tom Barkley

Part A

ITEM 7 FINALISATION OF VULNERABLE PERSONS RESETTLEMENT SCHEME (VPRS) BUDGET ALLOCATION 2018/19

Purpose of Report

The purpose of this report is to seek agreement for the realignment of the Vulnerable Persons Resettlement scheme for 2018/19.

Recommendation

1. That the budget virements outlined in Part B are approved for the Vulnerable Persons Resettlement scheme.

Reason

2. To comply with 1.6 of the Scheme of Budgetary Virement where budget changes more than £100,000 are taken to Cabinet for approval.

Policy Justification and Previous Decisions

The 2018/19 Original Budget was approved in Minute 90 of Item 09 General Fund and HRA Revenue Budgets 2018-19 taken to Cabinet on 15th February 2018. The budget is essential to all policies of the Council.

Implementation Timetable including Future Decisions and Scrutiny

If approved, it is proposed that the budget changes are implemented straight away.

Report Implications

The following implications have been identified in this report:

Financial Implications

The effects of the adoption of this report are explained in Part B of the report.

Risk Management

Risk Identified	Likelihood	Impact	Risk Management Actions Planned
That the budgets approved in 2018/19 are out of sync with the descriptions of what the expenditure is required to be spent on.	Unlikely	Moderate	This report mitigates the risk.

Key Decision: Yes

Background Papers: None

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Part B

Realignment of Housing Services Budgets 2018/19

- 1) The Vulnerable Persons Resettlement scheme began in 2016/17 following approval at Cabinet 14 April 2018 [Min 135] and is managed by the council on behalf of six other district councils within Leicestershire. There are currently 19 families housed under this scheme comprised of 89 family members.
- 2) This report focuses on the families resettled within Charnwood Borough Council only. The revenue costs relating to them are in the General Fund. The costs incurred relating to the families who are settled in the other Leicestershire districts are initially paid by Charnwood but are kept separate from Charnwood's General Fund account and are not included in the scope of this report.
- 3) The expenditure covers the costs for resettlement in the UK for the refugees. This includes initial set up costs for a home including basics like rent deposits, essential furniture, and food.
- 4) All expenditure incurred is later recovered by Home Office grant which is £8,520k per individual in year one, sliding down to £1,000 by year 5. Grant unspent is rolled forward and any balance at the end of the five year period must be returned to the Home Office rather than be retained in the General Fund.
- 5) The virement request detailed in this report relates to those refugees housed within Charnwood only. However, all expenditure is matched by Home Office Grant so there is no impact on the bottom-line of the General Fund.
- 6) When the 2018/19 budget was collated in autumn 2017, the exact details of what was required to be spent were not available as the timing and exact number of arrivals for the financial year was not known. The budget was based on the best assumptions available at that time. Due to the timing of the arrivals during 2018/19 the full amount of the original amount requested for £264,300 is no longer required during this financial year, hence the reduction to £135,500. The current budget is detailed in Appendix A.
- 7) The original budget included a net cost to the General Fund for £26,000 relating to support service recharges. As these recharges will be covered by the Home Office grant the budget changes in this report correct this anomaly by reducing the bottom-line balance to zero.

Appendix A –Vulnerable Persons Resettlement Scheme

	Budget Description	2018/19 Current Budget £	2018/19 Proposed Budget £
Controllable	Salaries-Basic	3,100	5,600
Controllable	Apprentice Levy	100	0
Controllable	Rents (External)	0	2,000
Controllable	Hire of Rooms	0	200
Controllable	Travel Exps/Car Allowance	0	500
Controllable	VPRS Transport Costs	0	3,000
Controllable	Furniture-P/R&M	0	12,000
Controllable	Interpretation/Translation Services	0	20,000
Controllable	Rent Deposit Grants	0	2,000
Controllable	ESOL Fund	0	5,100
Controllable	Misc Commission Fees	236,100	4,000
Controllable	Family Expenditure	0	4,000
Controllable	VPRS Education and Training costs	0	36,000
Controllable	VPRS Support Contract	0	14,900
Controllable	Care packages	0	15,000
Controllable	VPRS Leicestershire CC Education	25,000	11,250
	TOTAL COSTS	264,300	135,550
Recharges	Southfields Accommodation	900	900
Recharges	Human Resources SU Recharge	800	800
Recharges	Payments SU Recharge	300	300
Recharges	Payroll SU Recharge	200	200
Recharges	Accountancy SU Recharge	200	200
Recharges	Head of Finance and Property Services	600	600
Recharges	Hsg Strategy & Private Sector Man SU	19,800	19,800
	TOTAL RECHARGES	22,800	22,800
Controllable	Home Office Grant (outside AEF)	(236,100)	(122,600)
Controllable	Home Office Grant (Education)	(25,000)	(11,250)
Controllable	Home Office Grant (ESOL Funds)	0	(5,100)
Controllable	Reimbursement	0	(19,400)
	TOTAL INCOME	(261,100)	(158,350)
	TOTAL VPRS BUDGET FOR 2018/19	26,000	0