



**Policy Finance &
Development**

28 October 2014

Decision

Title: **Overall Budget Position – April to August 2014**

Author: **John Dickson - Chief Financial Officer (Section 151 Officer)**

1 Introduction

This report provides Members with details of the Council's budgetary position for the General Fund, Housing Revenue Account and Capital Programme for the period April to August. In addition any virement requests which require approval by this committee are provided in line with the Council's Financial Regulations as approved by Council.

2 Recommendations

That Members:

- 1) Note the current budgetary position on the General Fund, Housing Revenue Account and Capital Programme. (Appendix 1)
- 2) Members approve revenue budget supplementary and virement requests listed at 3.4 in the report.

3 Information

- 1) In February 2014 the Council approved a General Fund Budget for 2014/15 of £6,601,506. This would allow a balance on the General Fund Reserve of £890,000, which is above the recommended level of 10% of the net expenditure.
- 2) The current overall budget position at the end of August shows that there is no change to the projected estimated General Fund.
- 3) A summary of the overall General Fund budget is outlined in the table below. This includes virements and supplementary budgets approved by the Senior Management Team under the Financial Regulations and budgets from 2013/14 approved to be carried forward by the Policy, Finance and Development Committee on 22 July 2014.

Committee	Original Budget 2014/15	Budgets c/f from 2013/14	Approved Budget Changes	Revised Budget 2014/15
	£	£	£	£
Policy Finance and Development	2,631,040	0	76,700	2,707,740
Service Delivery	3,237,910	350	(61,640)	3,176,620
Development Control	502,380	94,820	(15,060)	582,140
Children and Young Persons	14,300	3,870	0	18,170
Licensing	32,630	0	0	32,630
Net Committee Expenditure	6,418,260	99,040	0	6,517,300
Capital Financing	482,970			482,970
to/(from) Earmarked Reserves	(299,724)	(99,040)	0	(398,764)
Net Expenditure	6,601,506	0	0	6,601,506

- 4) Below are the items that require approval by this committee under the current financial regulations.

Adjustments to Budget Requiring Approval			
Budget		£	Comments
Non Domestic Rates	Charity Relief	(40,000)	Change of accounting treatment now dealt with as part on NDR pool
Council Tax Support	Administration Grant	(52,000)	The Council was not notified of these grants until after the start of 2014/15
Housing Benefits	New Burdens Grant	(8,600)	
Corporate Management	Community Rights to Challenge Grant	(8,600)	
Corporate Management	Assets of Community Value Grant	(7,900)	
Grants to Voluntary Organisations	Core Funding	15,600	Grants to Multicultural Group and Senior Citizens Forum
Recycling Disposal	Commercial Waste	30,000	Viability of the service being reviewed
Recycling Disposal	Paper - paper sales	46,000	}
Recycling Disposal	Plastic Sales	(19,000)	
Recycling Disposal	Steel Sales	10,000	} Projections based on Current Income.
Recycling Disposal	Glass Sales	(9,000)	
Recycling Disposal	Card Sales	(6,000)	}
Planning	Application Fees	40,000	
Building Control	Shared Service Income	10,100	Shared service under review.
Total		600	

The Council has two earmarked reserves in place, set up to cover market fluctuations in Recycling Prices and Planning Fees. These may be used to offset falls in these areas.

The Operations Reserve containing £30,000 and was set up to provide insurance against market pricing fluctuations on the sale of recyclates.

The Income Profiling Reserve containing £150,000 was set up to safeguard against the volatility of planning income.

In addition to the above there are three further items to report;

- i) The Council General Fund salary, hired staff and overtime budget is currently showing a potential under spend of £141,000 due to discounted employer pension costs resulting from insurance cover put in place for ill health insurance, some vacancies and efficiencies resulting from minor restructures.
- ii) The Non Domestic Rate account is predicted to run at a shortfall of £95,000 mainly due to higher than expected empty premises relief. This

increase can be met by the Budget Equilibrium Reserve set up for this purpose.

- iii) The Council has been in receipt of extra Council Tax Support Grant totalling £60,000.

The predicted outturn position is based on actual expenditure of the first five months of the financial year. Subsequent financial reviews will give further updates on these positions.

The requests for budgets and grants to be carried forward which were approved by Policy, Finance and Development Committee on 22 July 2014 have been included in these figures and are funded from an earmarked reserve.

- 5) The Council's Housing Revenue Account budget was set in February 2014 estimating that a budget deficit of £109,000 would be made after appropriations to earmarked reserves. The only change from this is the utilisation of Revenue Contributions to Capital, which were not used in 2013/14 The new deficit for the year is £ 826,000 with the balance on the HRA Reserve of £1,072,000.
- 6) The Council's capital programme is detailed in Appendix 1 of this report. This includes the capital budgets carried forward from 2013/14 which were approved at Policy Finance and Development Committee 22 July 2014, together with any supplementary budgets and virements already approved under the Council's Financial Regulation.

Email: chris.raymakers@oadby-wigston.gov.uk Tel: **0116 257 2891**

Background Papers: Report to Council on 25 February 2014 – Budget Proposals 2014/15

Implications	
Financial (CR)	Incorporated within the body of the report
Risk (PL)	CR1 Decreasing Financial Resources CR9 Economy
Equalities (KG)	No significant implications
Legal (KG)	No significant implications