

Movement Between Original and Revised Budget 2014/15

Original Budget on the General Fund	Note		6,602
Increase Service Costs			
Budget Carried forward from 2013/14			99
Grant to Multicultural Group and Senior Citizens Forum			16
Leisure Contract	1		175
Increase in software licences			21
Signage at Brocks Hill	2		5
Other Costs			15
			<u>331</u>
Reductions in Income			
Reductions in Planning Income		40	
End of Building Control Shared Service		10	
Commercial Waste Scheme	3	30	
Recycling Income	4	22	
Reduction in Pest Control Income		6	
			<u>108</u>
Savings on Services			
Reduction in Salaries	5	(80)	
Reduction in Transport Costs	6	(97)	
Increase in officer support for Housing Revenue Account	7	(126)	
NNDR Charity Relief	8	(40)	
			<u>(343)</u>
Decreases in Funding			
Decreases in use of Reserves		189	
			<u>189</u>
Funding Increases			
Increases in Government Grants		(136)	
Decrease in Capital Financing Charges	1	(241)	
			<u>(377)</u>
Total			(92)
Revised Budget on the General Fund.			<u>6,510</u>

Notes

- 1) Whilst the above table shows an increase in the cost of the leisure contract for the committee, when the reduction in capital charges relating to this contract are taken into account, an overall saving of £66,000 is achieved for 2014/15. Over the 20 year life of the contract there will be an overall saving as a result of the new arrangement of approximately £3.6million. However the profile of this saving is not evenly spread over the lifetime of the contract

with the savings contracted to accrue after the first three years as the contractor will still be establishing their business model.

- 2) The increased signage at the Brocks Hill Visitors Centre includes those programmed to be improved in 2015/16 but which have been brought forward to 2014/15 to utilise the overall Council under spend in that year.
- 3) The commercial recycling income, as budgeted, cannot be realised due to a lack of take-up for the scheme from traders. Upon enquiry, the reason for this is to split the collection of waste and recycling between contractor and the Council would have a cost implication for traders. Where opportunities arise for ad-hoc collection these are taken up but the income if any is negligible.
- 4) There is a reduction in recycling income for the year. This is due to market forces reducing the price of certain recyclables rather than a reduction in the volume recycled. Members should note that this is expected to be a temporary situation and this is reflected in the 2015/16 budget. However, the market in this sector remains volatile.
- 5) Savings have been achieved on salaries attributable to this committee due to vacancy savings made while the Council considers any necessary restructuring.
- 6) Reviewing the replacement programme and its funding together with a reduction in repairs to vehicles and the price of fuel have achieved the savings made in transport costs.
- 7) A full review has taken place of officer time spent on the Housing Revenue Account since self-financing began in 2012. This reflects the greater technical requirements of the new system.
- 8) Due to technical changes in the accounting Non Domestic Rates, charity relief is now accounted for in the NDR pooling arrangements.

Appendix 3

Significant Variances 2014/15 to 2015/16

	Note	
<u>Additional Financial Pressures</u>		
Increase in Salaries relating to pay rise and incremental increases	1	207
Increase in Pension Costs	1	70
Increase in Costs of Leisure Management Contract	2	232
Increase in Recycling Hired Staff	3	35
Legal Technical Publications		6
Public Convenience Cleaning		7
Contribution to Joint Strategic Planning Manager		7
Grant to Multicultural Group and Senior Citizens Forum		16
Increase in Net Cost of Benefit Payments		29
Loss of Building Control Shared Service Income	4	20
Customer Services Transformation		20
Reduction in Pest Control Income		6
Commercial Recycling Scheme	5	30
Closing Park Gates ant Uplands Road and Coombe park		5
Horsewell Lane Development plan		8
 <u>Reduction in Funding</u>		
Reduction in Use of Reserves		158
Reduction in Grants Received		36
 <u>Savings</u>		
Reduction in Capital Charges	2	177
Review in Officer support to Housing Revenue Account	6	137
Review of Corporate management Charge to HRA		99
Transport Costs	7	112
Recruitment Expenses	8	50
Actuarial Strain Capital Cost		13
Savings made from Green Waste Scheme	9	25
Basset Centre Caretaking Agreement		12
Pension costs on Members Allowances		13
Savings in Provision of ICT Service		13
Reduction in Weed Control Applications		7
NNDR Charity Relief	10	40
Contribution to Waste Management Partnership		10
Increase in Court Costs Recovered from Council Tax and NNDR		21
Council Office Utility Bills		7
Building Applications Fees		9
Street Numbering and Naming		5

Notes

- 1) Salaries on this committee have increased slightly after including the results of the pay award recently agreed, incremental increases and the annual increase in pension costs.
- 2) Costs are to increase for the new leisure management contract in line with the scheduled implementation but as in 2014/15 (above) there will be

savings made on the capital financing element of the budget. This will considerably mitigate the cost charged directly to this committee.

- 3) An increase in staffing budget is required to keep the current production levels on the Material Recycling Facility 'picking line' at the same level as currently attained. It had been hoped that the Film Extraction Unit scheme, which had been planned, would generate savings. However this scheme has proved impractical and has not gone forward.
- 4) The shared service arrangement that the Council had with Hinckley and Bosworth Borough Council ended in September 2014.
- 5) The Commercial Recycling, as previously reported, is still under review and at present, it is not expected that any meaningful income will be generated from this source.
- 6) A full review has taken place of officer time spent on the Housing Revenue Account since self-financing began in 2012. This reflects the greater technical requirements of the new system.
- 7) A considerable saving has been shown in the cost of transport due to changes in method and timing of the procurement of new vehicles.
- 8) Recruitment will now be funded from an earmarked reserve set up for this purpose
- 9) As reported to Policy Finance and Development Committee in September 2014 the Council has commenced a green waste collection scheme, the expected savings of which are shown in this budget.
- 10) Due to technical changes in the accounting Non Domestic Rates, charity relief is now accounted for in the NNDR pooling arrangements.