

**Service Delivery****13 October 2015****For Information**

Title: **Committee Budget Review – April to August 2015**

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## **1 Introduction**

This report provides Members with details of the budgetary position for the committee at 31 August 2015 for both capital and revenue within both the General Fund and Housing Revenue Account (HRA)

## **2 Recommendations**

That Members note the current position.

## **3 Information**

In February 2015 a revenue budget was approved for this committee of £3,583,500. Currently, the Committee General Fund position shows a predicted estimated net overspend for the year of £218,500. The principal variances are shown in the table below.

<b>Budget</b>	<b>Cause of Variance</b>	<b>£</b>
Recycling Disposal Income	Fall in market price of Recyclates	200,000
Brocks Hill Salaries	Extension to fixed term contract	10,570
<b>Total</b>		<b>210,570</b>

The income generated by recycling sales and credits is likely to be down against budget by around £200,000. There are two reasons for this;

- 1) Leicestershire County Council have ceased the payment for garden waste resulting in an expected reduction in recycling credits of around £80,000.
- 2) During the last twelve months the Council has seen a substantial drop off in the price of recyclates caused by economic conditions around the world.

Despite the above there is still a general trend of expenditure being behind profile. The Finance team is currently going through a thorough review of 2015/16 set budgets looking at expenditure levels against profile and historical spend in previous years. Together with the above there are other

minor variances that account for the current predicted outturn. The results of this will be incorporated in future committee reviews for this year and in the 2016/17 budget process.

The Council's Housing Revenue Account budget was set in February 2015 estimating a budget deficit of £1,346,000 would be made after appropriations to earmarked reserves, leaving a balance on the reserve of £300,000. This was in line with the Council's Housing Revenue Account Business Plan.

However due to under spends in the HRA in 2014/15, which saw both the revenue and capital budgets carried forward to 2015/16, an outturn deficit is now predicted for 2015/16 of £2,121,000 after the inclusion of these budgets carried forward. This will leave a balance on the HRA of around £600,000. This is summarised in the table below.

	Original Budget 2015/16 £	Expenditure Budgets c/f from 2014/15 £	Estimated Outturn 2015/16 £
Net Costs of Services on the HRA	(1,098,840)	17,050	(1,081,790)
Revenue Contribution to Capital	1,871,040	757,616	2,628,656
<b>Increase in Year</b>		<b>774,666</b>	
Actual Balance b/f on Housing Revenue Account - 1 April 2015	(2,723,825)		(2,723,825)
Budgeted Deficit in Year	1,346,200	774,666	2,120,866
<b>Balance c/f on Housing Revenue Account</b>	<b>(1,377,625)</b>	<b>774,666</b>	<b>(602,959)</b>

The Committee's Capital Budget is detailed in Appendix 1 to this report. The Policy Finance and Development Committee at its meeting on 21 July approved the budgets for a number of unfinished schemes to be brought forward into this financial year, these have now been included in the 'Budget 2015/16' column of Appendix 1.

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Background Papers: Report to Council on 19 February 2015 – Budget  
Proposals 2015/16

<b>Implications</b>	
Financial	Incorporated within the body of the report
Risk	CR1 Decreasing Financial Resources CR9 Economy
Equalities	No significant implications
Legal	No significant implications