



**Policy, Finance and
Development
Committee**

**Tuesday, 31 October
2017**

**Matter for
Information and
Decision**

Title: Overall Budget Position (April - August 2017)

Author(s): Chris Raymakers (Head of Finance, Revenues and Benefits)

1. Introduction

- 1.1 This report provides Members with details of the Council's budgetary position for the General Fund, and Housing Revenue Account for the period April to August 2017.
- 1.2 The report also contains details of the revised capital programme which Members are asked to approve.

2. Recommendation(s)

- 2.1 That Members note the current position on the revenue budgets.
- 2.2 That Members approve the capital programme outlined in the appendix.
- 2.3 That Members approve the virements and supplementary budgets listed below.

3. General Fund

- 3.1 In February 2017, the Council approved a General Fund Budget for 2017/18 of £6,601,700. This would leave a General Fund Balance of £697,000 which is above the minimum level recommended of 5% (£330,000) of the net budget.
- 3.2 A summary of the overall General Fund Budget is outlined in the table below. This includes virements and supplementary budgets approved by management under the Financial Regulations and budgets from 2016/17 approved to be carried forward by this Committee on 25 July 2017.
- 3.3 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.

In order to show the Council's progress in meeting its savings and efficiency targets for the year, these have been pulled out of the committee totals and shown separately in the table below.

Details of Committee variances are reported to separate Committees.

(Continued overleaf)

Committee	Original Budget 2017/18	Budgets c/f from 2016/17	Approved Budget Changes	Revised Budget 2017/18
	£	£	£	£
Policy Finance and Development	2,611,100	35,800	53,500	2,700,400
Service Delivery	2,975,600		65,000	3,040,600
Development Control	503,000		(15,000)	488,000
Children and Young Persons	11,800			11,800
Licensing	44,800			44,800
Salaries over/(underspend)	0		(60,000)	(60,000)
Efficiency Savings Targets	(282,700)			(282,700)
Net Committee Expenditure	5,863,600	35,800	43,500	5,942,900
Capital Financing	795,000	0		795,000
Contributions to/(from) Earmarked Reserves	(56,900)	(35,800)		(92,700)
Net Expenditure	6,601,700	0	43,500	6,645,200

3.4 The table above shows that there is an overall increase predicted in net expenditure due to a number of supplementary budgets requested as well as a drop off in income. As a result of this there have been no inroads into the efficiency savings targets for this year.

3.5 The above figures include the Council's General Fund salary, hired staff and overtime budget which is currently showing a potential saving of £60,000 which do mitigate some of the increases elsewhere.

3.6 The other main increases in net expenditure caused are as follows:

- It is estimated that recruitment to the Senior Officer roles will cost in the region of £20,000;
- Any review of the use of Bushloe House will not produce any extra income this year which increases net expenditure by £20,000;
- Recycling income is down on expected levels, as reported at Service Delivery Committee, due to a downturn in the market; and
- Cemeteries income is lower than expected.

3.7 On the positive side, income in the Development Control areas of Planning and Building Control are higher than budgeted for by around £15,000 over the year.

The Pest Control team are currently having discussions with other local Leicestershire Districts for Oadby and Wigston to carry out certain services for those Districts as a preferred contractor. This will help move the Pest Control service toward a break-even position requested by Members.

4. Housing Revenue Account

4.1. The Council's Housing Revenue Account budget was set in February 2017 with a view to breaking even during the year. This meant that the minimum balance of £300,000 which the business plan dictates would continue to be kept.

(Continued overleaf)

	Original Budget 2017/18	Over/Under spends from 2016/17	Increases/Decreases in Budgets	Estimated Outturn 2017/18
	£	£	£	£
Net Costs of Services on the HRA	(760,400)		(73,600)	(834,000)
Capital Charges	540,700			540,700
Revenue Contributions to Capital	0		204,000	204,000
Appropriation to Earmarked HRA reserve	219,700			219,700
Increase in Year	0	0	130,400	130,400
Actual Balance b/f on Housing Revenue Account - 1 April 2017	(300,000)	(144,000)		(444,000)
Budgeted Deficit in Year	0		130,400	130,400
Balance c/f on Housing Revenue Account	(300,000)	(144,000)	130,400	(313,600)

4.2. There are two savings to be reported at Net Cost of Services Level

- A saving in salary costs in 2017/18 of £13,000 within Estates Management.
- Reimbursement of electricity charges negotiated with the supplier of around £60,000 which was reported as in progress to the June committee.

The outturn from the 2016/17 financial year saw an under spend of £144,000 against budget leaving a balance on the HRA of £444,000. It is proposed that this extra money, together with the electricity refund, should be utilised to help fund the Capital programme within the HRA in 2017/18 as no other contributions from revenue were made available in the original budget.

5. Capital Programme

5.1. A summary of the proposed Capital programme for 2017/18 is listed below:

Committee	£
Policy Finance and Development Committee	714,700
Service Delivery	4,124,100
Housing Revenue Account	2,250,000
	<u>7,088,800</u>
Funding	
Borrowing	4,757,900
Capital Grant	346,200
Section 106	26,400
Capital Receipts	328,900
Earmarked Reserves	183,400
Major Repair Reserve	1,242,000
Revenue Contribution to Capital	204,000
	<u>7,088,800</u>

5.2. Members are asked to approve the capital programme of which a detailed breakdown listed in **Appendix A** and **B** to this report.

Background Documents:

None.

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Implications Overall Budget Position (April - August 2017)	
Finance	The financial implications are set out in the report.
Chris Raymakers (Head of Finance Revenues and Benefits)	
Legal	There are no legal implications.
Dave Gill (Deputy Monitoring Officer)	
Corporate Risk(s) (CR)	<input checked="" type="checkbox"/> Decreasing Financial Resources (CR1) Unless savings are made the Councils reserves will decrease near to the minimum level. <input checked="" type="checkbox"/> Reputation Damage (CR4) Poor financial management can lead to reputational damage. <input checked="" type="checkbox"/> Effective Utilisation of Assets/Buildings (CR5)
Chris Raymakers (Head of Finance Revenues and Benefits)	
Corporate Priorities (CP)	<input checked="" type="checkbox"/> An Inclusive and Engaged Borough (CP1) <input checked="" type="checkbox"/> Effective Service Provision (CP2) <input checked="" type="checkbox"/> Balanced Economic Development (CP3) <input checked="" type="checkbox"/> Green & Safe Places (CP4) <input checked="" type="checkbox"/> Wellbeing for All (CP5)
Chris Raymakers (Head of Finance Revenues and Benefits)	
Vision & Values (V)	<input checked="" type="checkbox"/> "A Strong Borough Together" (Vision) <input checked="" type="checkbox"/> Accountability (V1) <input checked="" type="checkbox"/> Teamwork (V3) <input checked="" type="checkbox"/> Innovation (V4) <input checked="" type="checkbox"/> Customer Focus (V5)
Chris Raymakers (Head of Finance Revenues and Benefits)	
Equalities & Equality Assessment(s) (EA)	There are no equalities implications.
Chris Raymakers (Head of Finance Revenues and Benefits)	<input checked="" type="checkbox"/> Not Applicable