

**Service Delivery  
Committee****Tuesday, 23 January  
2018****Matter for Information****Title:****Committee Budget Revenue and Capital Review  
(April - November 2017)****Author(s):****Chris Raymakers (Head of Finance, Revenues & Benefits)****1. Introduction**

This report provides Members with details of the budgetary position for the Committee at 30 November 2017 for both capital and revenue budgets within both the General Fund and Housing Revenue Account (HRA).

**2. Recommendation(s)**

That Members note the current position.

**3. Information**

- 3.1. In February 2017, a revenue budget was approved for this Committee of £2,975,600 which was a reduction of £617,000 from the 2016/17 budget.

Currently, the Committee General Fund position shows a predicted net spend for the year of £3,012,600 giving an increase in net expenditure of £37,000. The principal variances are shown in the table below.

<b>Budget</b>	<b>Cause of Variance</b>	<b>£</b>
<b>Original Committee Budget</b>		<b>2,975,600</b>
Increase reported at last review to Committee		5,000
Salaries relating to Bushloe Developments	Housing Company charged for work carried out by Officers	(12,000)
Cleaning contract	Increase in specification of contract	12,000
Pest Control	Full implementation of review deferred until 2018/19 and built into Budget	32,000
<b>Estimated Revised Budget</b>		<b>3,012,600</b>

- 3.2. The principal reason for the increase from the last review relates to the saving target for the pest control service being deferred to 2018/19 where the budget will be set to break-even.

**3.3. Housing Revenue Account (HRA)**

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

	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)		(123,400)	(883,800)
Capital Charges	540,700			540,700
Revenue Contributions to Capital	0		204,000	204,000
Appropriation to Earmarked HRA reserve	219,700			219,700
<b>Increase in Year</b>	<b>0</b>	<b>0</b>	<b>80,600</b>	<b>80,600</b>
Actual Balance b/f on Housing Revenue Account - 1 April 2017	(300,000)	(144,000)		(444,000)
Budgeted Deficit in Year	0		80,600	80,600
<b>Balance c/f on Housing Revenue Account</b>	<b>(300,000)</b>	<b>(144,000)</b>	<b>80,600</b>	<b>(363,400)</b>

#### 3.4. Principal changes 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;
- Housing Management and Maintenance are now operating an SLA with the Local housing Company, Bushloe Developments, which will give a saving to the HRA of around £53,000; and
- The new cleaning contract has seen an increase in standard for the HRA and as a result an increase in cost of £6,000.

The above savings together with the extra revenue contributions to capital will produce a year-end balance to around £363,000 which is slightly above the minimum level of balance to be retained set in the Business Plan.

#### 3.5. Capital Programme

The revised Capital Programme for this Committee included Housing schemes with a budgeted cost of £2.275m and General Fund schemes of £4.19m. The total budgeted programme is £6.47m. The provisional outturn for the HRA is £2.015m after underspends of £0.25m are carried forward.

The General Fund is expected to outturn at £2.51m after taking into account carry forwards for Horsewell Lane Pavilion, Blaby Road Park and New Refuse Vehicles.

A full breakdown of the Capital Programme can be found in **appendices A** and **B** to this report.

#### Background Documents:

Budget Report to Full Council - February 2017

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<b>Implications</b>   Committee Budget Revenue and Capital Review (April - November 2017)	
<b>Finance</b>	The financial implications are as set out in the report.
<b>Chris Raymakers</b> (Head of Finance, Revenues & Benefits)	
<b>Legal</b>	The report is satisfactory.
<b>Dave Gill</b> (Head of Law & Governance / Monitoring Officer)	
<b>Corporate Risk(s) (CR)</b>	<input checked="" type="checkbox"/> <b>Decreasing Financial Resources (CR1)</b> Financial resources are reducing while the Government's austerity programme continues. It is important that the Council keeps to its programme of transforming services and savings targets.  <input checked="" type="checkbox"/> <b>Reputation Damage (CR4)</b> Poor financial stewardship will lead to reputational damage for the Council.  <input checked="" type="checkbox"/> <b>Regulatory Governance (CR6)</b> Financial Management forms are an integral part of the governance of the Authority.  <input checked="" type="checkbox"/> <b>Organisational/Transformational Change (CR8)</b> If the Council's transformation programme does not progress in a timely then the affordability of some services will be in doubt.
<b>Chris Raymakers</b> (Head of Finance, Revenues & Benefits)	
<b>Corporate Priorities (CP)</b>	<input checked="" type="checkbox"/> <b>An Inclusive and Engaged Borough (CP1)</b> All Council Priorities are underpinned by sound financial management.  <input checked="" type="checkbox"/> <b>Effective Service Provision (CP2)</b> <input checked="" type="checkbox"/> <b>Balanced Economic Development (CP3)</b> <input checked="" type="checkbox"/> <b>Green &amp; Safe Places (CP4)</b> <input checked="" type="checkbox"/> <b>Wellbeing for All (CP5)</b>
<b>Chris Raymakers</b> (Head of Finance, Revenues & Benefits)	
<b>Vision &amp; Values (V)</b>	<input checked="" type="checkbox"/> <b>"A Strong Borough Together" (Vision)</b> All Council Values are underpinned by sound financial management.  <input checked="" type="checkbox"/> <b>Accountability (V1)</b> <input checked="" type="checkbox"/> <b>Respect (V2)</b> <input checked="" type="checkbox"/> <b>Teamwork (V3)</b> <input checked="" type="checkbox"/> <b>Innovation (V4)</b> <input checked="" type="checkbox"/> <b>Customer Focus (V5)</b>
<b>Chris Raymakers</b> (Head of Finance, Revenues & Benefits)	
<b>Equalities &amp; Equality Assessment(s) (EA)</b>	There are no significant equalities implications.

**Chris Raymakers**

(Head of Finance, Revenues  
& Benefits)



**Not Applicable**