

10 June 2015

Ordinary Council

Budget 2015/16 Amendment Report

Report of: Chris Leslie, Finance Director

Wards Affected: All

This report is: Public

1. Executive Summary

- 1.1 On the 4 March 2015 Council approved the budget for 2015/16. The budget included a contribution from the General Fund reserve of £362k.
- 1.2 This report seeks approval for the budget amendments intended to set a balanced budget with out the need to drawdown from the General Fund reserve .

2. Recommendation(s)

- 2.1 **To approve the revenue budget amendments in Appendix A.**
- 2.2 **To approve the amendments to the capital programme at paragraph 5.1.**

3. Introduction and Background

- 3.1 Included within the 2015/16 budget approved by Council was:
- The sum of £164k for new developments;
 - The sum of £545k for anticipated savings, which remains unchanged;
 - The sum of £350k earmarked for the William Hunter Way development, which remains unchanged;
 - The sum of £362k to be taken from the General Fund reserve.
- 3.2 A capital programme totalling £9.6m was also approved including £3.2m of new schemes. Additionally £1m of capital receipts was earmarked for Warley Training Centre, which is reduced as stated in paragraph 5.1.

4. Revenue Budget Amendments

4.1 The proposed budget amendments are detailed in Appendix A. The table below summaries the impact of the amendments on the required drawdown from the General Fund reserve, originally approved by Council in March 2015.

	2015/16 £000	2016/17 £000	2017/18 £000
General Fund Drawdown March 2015	362	543	829
Budget Amendments	(362)	(358)	(315)
Revised General Fund Drawdown	-	185	514

4.2 The table shows that after the proposed budget amendments no drawdown from the General Fund reserve is required in 2015/16. By 2017/18 there is a requirement to use £514k from the General Fund reserve down from an anticipated £829k.

4.3 The remaining £514k budget gap will be closed through additional efficiency savings found through the organisation along with new income generation projects providing additional revenue sources for the Council.

4.4 Council is requested to approve the revenue budget amendments detailed in Appendix A.

4.5 As part of the budget amendments there is a £30k increase in HRA recharges. This amendment reduces the 2015/16 HRA surplus from £236k to £206k.

5. Amendments to the Capital Programme

5.1 Council is requested to approve the following amendments to the 2015/16 capital programme:

- Removal of Old House Redevelopment - £1,080k;
- Removal of capital receipts earmarked for Warley Training Centre and use these to reduced the borrowing requirement of the capital programme - £1,000k;
- Addition of Improvements and Parking Scheme at Brentwood and Shenfield - £1,600k.

5.2 These adjustments reduce the overall borrowing requirement of the capital programme by £480k. This results in a £40k revenue saving in 2016/17.

5.3 A revised capital programme is provided at Appendix B.

6. Reasons for Recommendation

- 6.1 Revisions to the budget are part of a robust system of financial control and reflect the priorities of the new Council Administration following the local elections on the 7th May 2015.

7. Implications

Financial Implications

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- 7.1 The financial implications are set out in the report.

Legal Implications

Name & Title: Chris Potter, Monitoring Officer

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- 7.2 None.

8. Appendices to this report

Appendix A – Revenue Budget Amendments

Appendix B – Revised Capital Programme

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